THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 6 ☐ NO. 10 ☐ NOVEMBER 1986

RESTAURANTS USA

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THE AMERICAN DINER

MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management
11/17 Monterey, CA
11/19 Sacramento, CA
1/20 Pawtucket, RI
2/3 New Orleans, LA
2/18 Rosemont, MN
2/19 Minneapolis, MN

Dining Room Management: Sales and Service
11/18 Monterey, CA
11/20 Sacramento, CA
12/1 Toronto, Ontario, Canada
2/2 Winnipeg, Manitoba, Canada

Kitchen Management
11/18 St. Louis, MO
11/20 Columbus, OH
1/22 Schaumburg, IL
1/26 Baltimore, MD

People-Power and Profits
11/17 St. Louis, MO
1/21 Philadelphia, PA
1/29 Cincinnati, OH

Tools for Training
12/9 Harrisburg, PA
2/25 Seattle, WA

Food Production Courses

Perfecting Your Culinary Skills
12/9 Salt Lake City, UT
1/27 Atlanta, GA
2/5 Dallas, TX

Simplified Baking Workshop
2/10 Ventura, CA
2/12 Sacramento, CA

Soups and Sauces
12/8 Des Moines, IA
12/10 Cheyenne, WY
1/22 San Diego, CA
2/16 Denver, CO

Foodservice Management Courses

Banquet Management
11/17 St. Louis, MO
12/2 Tampa, FL
1/26 Vancouver, B.C., Canada
1/28 Montreal, Quebec, Canada
2/23 Newark, NJ

Beverage Management
11/18–19 Louisville, KY
2/3–4 St. Louis, MO

Employee Motivation
2/9 Charlotte, NC
2/11 Vienna, VA

Food Cost Management
11/18 St. Louis, MO
12/2 Austin, TX
1/20 Orlando, FL
2/18 Nashville, TN

Foodservice Operators' Legal Workshop
11/17 Nashville, TN
1/27 Birmingham, AL
2/23 Concord, NH
2/25 Cincinnati, OH

Negotiating for and Financing Foodservice Facilities
1/29–30 Atlantic City, NJ

Off-Premises Catering
12/3–4 Chicago, IL
1/26–27 Houston, TX
2/9–10 Madison, WI

Operational Analysis
1/28–29 Jacksonville, FL

Planning and Implementing Restaurant Marketing Strategy
11/17–18 St. Louis, MO

Planning Successful Buffets
12/4 Jacksonville, FL
12/17 Lexington, KY

Profitability
1/28 Atlanta, GA

Real Estate and Restaurant Site Selection
2/17–18 Scottsdale, AZ

Restaurant Design and Facilities Planning
2/10–11 Tampa, FL
2/23–24 Las Vegas, NV

S.A.F.E.
1/20 Arlington, VA

Wine and the Bottom Line
11/18 Rochester, NY
12/8 La Jolla, CA
12/10 Santa Barbara, CA
1/27 Toronto, Ontario, Canada
2/25 Stamford, CT

NATIONAL CONFERENCES

National Conference on Catering
11/16–19 New Orleans, LA

Independent Foodservice Operators' National Conference
1/18–21 San Francisco, CA

Monterey Wine Festival
3/7–11 Monterey, CA

National Conference on Computers in Foodservice
3/8–11 Dallas, TX

National Restaurant Association/Laventhol and Horwath Conference on Planning and Financing
4/5–7 Los Angeles, CA

For more information, contact
National Restaurant Association
Education Programs
311 First Street, N.W.
Washington, DC 20001
(800) 424-5156 or
(202) 638-6100.

If your company is interested in In-house Programs, call or write to the attention of Ed O'Hare at the above address.

STUDY GROUP MEETINGS

Safety Officers
1/12–14 Miami, FL

Large Independent Operators (LIO)
1/16–18 San Francisco, CA

Labor Relations
1/29–30 Washington, DC

Financial Officers
4/1–3 San Diego, CA

Tax Executives
4/1–3 San Diego, CA

MIS (formerly EDP)
4/7–10 Orlando, FL

Internal Audit
4/21–24 Orlando, FL

MAECO
5/13–15 Chicago, IL

Marketing Executives
5/13–16 Chicago, IL

Foodservice Purchasing Managers
5/14–15 Chicago, IL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

Published by the National Restaurant Association

USA
VOL. 6 NO. 10 NOVEMBER 1986

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Restaurants USA (ISSN 0465-7004) is published monthly except combined June-July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one year subscription to ***Restaurants USA.*** The non-member subscription fee is $125 per year. Second-class postage paid at Washington, DC 20001 and additional mailing offices. Copyright © NRA 1986. Postmaster, send address change to ***Restaurants USA***, 311 First St., N.W., Washington, DC 20001.

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PRESIDENT'S REPORT

G. "Jim" Hasslocher, President
Frontier Enterprises, San Antonio, Texas

Hospitality promotion celebrates employees

This past month at a press conference in New York City, the National Restaurant Association joined with the entire hospitality industry in launching "America's Hospitality Industry—Ours Is a Special World," a campaign aimed at enhancing the image of the hospitality employee. Both consumer and trade press were on hand to hear about the promotion, which is being described as the largest cooperative effort ever undertaken by the service segment of our economy.

Now it is up to you. By now you have received a packet which outlines Phase 1 of the promotion, designed to encourage professional pride among current industry employees. The cornerstone of Phase I is a videotape that dramatizes the many career paths available to the hospitality employee. The tape, as well as the sample materials included in your packet—posters, ad mats, envelope stuffers, pins and bumper stickers—all reinforce a positive image of our industry and the special people who are a part of it. Take a moment to notice the poster reproduced on the back cover of this issue of ***Restaurants USA.***

I urge you to join the 68,000 hospitality industry businesses receiving this packet by lending your support of the promotion. Order your materials today. *By celebrating our own employees, we will make employment in our industry all the more attractive as we approach the nineties and projected labor shortages.*

Videotape explains tip reporting law

The National Restaurant Association videotape, *Tips and Taxes,* produced in conjunction with the IRS, is now available. Although the new tax reform bill does alter the way we pay our taxes, it does not eliminate the necessity to report tips. *Tips and Taxes* outlines the tip reporting law and gives your tipped employees all the information they need to use IRS forms W-4, 4070 and 8027. Call the association's publications department to order your copy.

99th Congress ends on mixed note for industry

The 99th Congress adjourned last month, leaving some burdensome legislation, but also some positive enactments in its wake. Many business people were disturbed by the passage of the new tax reform bill, which limits business meal deductions to 80 percent, and the new immigration bill, which requires employers to include examination and verification of employee identification cards as part of their hiring procedures. Your association will continue to monitor the effects of these new laws.

On the positive side, the Targeted Jobs Tax Credit (TJTC) was extended for three more years, retroactive to Jan. 1, 1986. Extension of TJTC gives foodservice the incentive to maintain its role as a leader in employment of the handicapped and underprivileged. Congress also passed a Risk Retention Act, allowing small businesses, which may otherwise be unable to obtain insurance, to pool their resources and be insured as a group. This law supersedes state laws which may prohibit such pools.

Legislation which would have meant unfair regulation for foodservice employers died with the adjournment of the 99th Congress. A bill prohibiting the use of polygraph tests by private employers was never brought to a full vote. Neither was a bill that would have mandated employee benefits—and, ultimately, restricted hiring practices. And a provision which would have established costly health insurance risk pools also died when Congress adjourned.

The association staff in Washington is already gearing up for the 100th Congress, which will convene in January. Let me assure you that monitoring legislative issues and protecting the interests of the foodservice industry will always be your association's top priority.

Association publishes one-stop reference source

The association has just published a new book entitled *Foodservice Numbers*. This valuable publication brings together association research on industry sales, consumer eating out behavior and attitudes, industry operating data and economic statistics. It is a one-stop reference source for operators who want past, present and future industry statistics. Order *Foodservice Numbers* through the association's publications department; the cost is $50 for members, $100 for non-members.

Schedule your seminar today

A six-month seminar schedule, outlining National Restaurant Association conferences and seminars from January through June 1987, is included in this issue of ***Restaurants USA.*** Mark your calendar to attend the seminars in your area. If you are an independent operator, you won't want to miss the third annual Independent Foodservice Operators' Conference (INFO 87), scheduled for January 18–21, 1987, in San Francisco, CA. As a forum for independent operators to exchange ideas and learn from the success of their peers, the INFO Conference is fast becoming an industrywide institution. Register today by contacting the association's education programs department.

New conference on planning and financing restaurant growth

You'll note that a new conference has been added to the schedule this year. The first annual National Restaurant Association/Laventhol and Horwath Conference on Planning and Financing Restaurant Growth will be held in Los Angeles, CA, April 5–7, 1987. This conference is a must for both chains and independents who want expert direction when developing or expanding their operations. Look for future mail-outs as the conference date approaches.

During October, 190 foodservice operators and allied suppliers joined us as members of the National Restaurant Association. Welcome. Your participation in the association will make your business grow and will make the association more effective in its endeavors on your behalf.

G. Jim Hasslocher

G. "Jim" Hasslocher
President and Chairman of the Board

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SPECIALS

UBLIC
AFFAIRS
CONFERENC
PUBLIC AFFAIRS CONFERENCE

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More than 200 restaurateurs and policymakers discussed foodservice industry legislative issues at the association's annual Public Affairs Conference and congressional reception, Chef d'Oeuvre.

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If your operation is not doing as well as it did in the past, it may be time to consider repositioning. This article focuses on how and when to reposition, with a look at some case studies.

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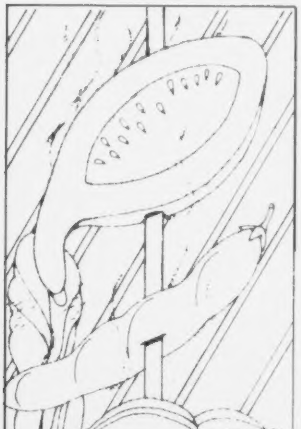

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Don't miss the special pull-out six-month seminar schedule between pages 24 and 25.

Cover photograph by Gary Landsman

SHORTORDERS

Monterey Wine Festival set for March

Fine California wines, receptions, celebrities, gourmet food and a unique auction are in store for wine buffs when the Monterey Wine Festival makes its debut March 8–11, 1987, at the Monterey Conference Center.

THE MONTEREY WINE FESTIVAL

Vintage '87 March 8-11

Now produced by the National Restaurant Association, the Monterey Wine Festival—formerly the California Wine Festival—will feature more than 150 wineries. There will be wine tastings, seminars, displays, lectures and wine-related special events.

The 1987 festival will feature 50 percent more wineries than past festivals. To highlight each wine category, separate nights will be devoted to California champagnes and sparkling wines, red wines and white wines.

Included on the slate of events will be the second annual wine auction. It will benefit the Andre Tchelistchreff Scholarship Fund to further the study of enology and viticulture. This unique event features oversized bottles—from magnums to Nebuchadnezzars. Donated by wineries from across California, these wines are auctioned off to the highest bidder. Many are in ornate bottles and have never before been released by the wineries.

Tickets for the festival are $295 per person. The fee includes admission to the opening night reception at the Monterey Bay Aquarium, wine tastings, three days of seminars, lectures and demonstrations and gourmet luncheons that feature California wines at some of Monterey Peninsula's finest restaurants.

For further information about the festival, write the Monterey Wine Festival, P.O. Box 467, Monterey, CA 93942.

Seafood handling videotape available

A new seafood handling videotape, which covers everything from handling fish to evaluating its quality in the fresh, live, frozen and canned stages, is now available from the National Fisheries Institute (NFI).

The videotape is geared specifically toward foodservice operators, with an introductory message by renowned chef Paul Prudhomme on the advantages of seafood on a menu and the availability of fresh seafood in all regions of the country. The videotape then outlines proper handling of seafood from the receiving truck to restaurant refrigeration and finally to the table. It also emphasizes the importance of getting to know your seafood supplier because consistent handling of the product guarantees consistent quality.

Developed by the Gulf and South Atlantic Fisheries Development Foundation, National Marine Fisheries Service, Red Lobster Inns and Sea Pride, Inc., the videotape is available for $50 from: NFI Promotions Department, 2000 M St., N.W., Suite 580, Washington, DC 20036 (202) 296-3428.

National cholesterol education begins

The National Heart Lung and Blood Institute of the National Institutes of Health has recently begun a nationwide public education program to increase consumer awareness about cholesterol. The goal of the National Cholesterol Education Program (NCEP) is to reduce the incidence of illness and death from heart disease by reducing the number of Americans with high blood cholesterol.

Strong evidence proves that lowering blood cholesterol will reduce the incidence of heart disease and death. Studies show that for every one-percent drop in blood cholesterol level there is a two-percent decrease in the occurrence of heart disease.

The NCEP will focus efforts on four areas: public education, primary and secondary school education, worksite programs, and health care professional and patient education. The objective of the program is to cause the public to accept five basic principles about cholesterol:

1. There is a clear association between cholesterol and heart disease.

2. Blood cholesterol is easy to measure.

3. Everyone should know his or her blood cholesterol level.

4. Those with high cholesterol should seek professional advice.

5. Diet is the primary means for lowering elevated blood cholesterol.

Initial public education plans include public service announcements for radio and television; print ads in newspapers, magazines and airline displays; and widespread distribution of fact sheets about cholesterol.

In addition to these efforts, the coordinators of NCEP are working with a wide range of organizations, such as the American Heart Association and the National Fisheries Institute. Such cooperation ensures continued expansion of the program.

The NCEP is patterned after the successful, 14-year-old National High Blood Pressure Education Program which educated Americans about the relationship between high blood pressure and sodium. As a result of that program, public concern about sodium intake rose dramatically. Studies show that between 35 to 50 percent of American adults are concerned about the salt content of their diets. Even more (65 to 80 percent) are aware of the connection between dietary sodium and disease. The effects are affecting foodservice. A recent National Restaurant Association survey found that 23 percent of restaurant consumers who have improved their eating-away-from-home habits report they are making an effort to consume less salt when eating out.

Program administrators anticipate similar success with the NCEP, which will continue as long as there is a need to educate the public. As a result, awareness of dietary fat and cholesterol should swell during the next decade, and undoubtedly it will affect dining out habits.

“Ours Is a Special World”

Hospitality industry launches national image campaign

The waiter who spends extra time at the table of an elderly customer dining alone. . . . The hostess who greets repeat customers by name. . . . The bellman who carefully carries a child's teddy bear from lobby to hotel room. . . . These people are among the 10 million employees who care for America away from home.

In an all-out effort to boost the image of America's hospitality industry as a source of rewarding careers, restaurants, hotels and allied supplier companies across the United States have joined forces to develop an industry-wide campaign. The first phase of this campaign is a celebration of our employees.

Entitled “America's Hospitality Industry—Ours Is a Special World,” the campaign was officially launched on October 17 in New York, NY, by officers of 15 national hospitality associations, including the National Restaurant Association.

“We want Americans everywhere to know about the opportunities and rewards offered by careers in the hospitality industry,” announced National Restaurant Association President G. “Jim” Hasslocher. “The rapid growth of our industry could mean that in a few years we will outgrow our labor supply. But this growth also means that we offer great opportunity to Americans, young and old, who are looking for meaningful careers.”

Hotel managers, housekeepers and waiters are some of the hospitality industry employees spotlighted in the videotape.

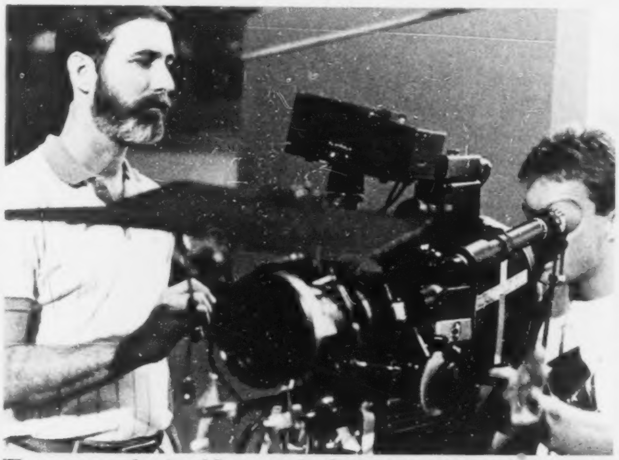
Sixty-eight thousand businesses nationwide will have an opportunity to participate in “America's Hospitality Industry—Ours Is a Special World,” making it the largest cooperative effort ever undertaken by the nation's service segment. The program is funded by the 15 national hospitality associations as well as numerous state associations.

A three-phase program

“America's Hospitality Industry—Ours Is a Special World” will be launched in three phases over a four-year period. Phase 1, “Ours Is a Special World,” addresses current industry employees. Its aim is to enhance their pride in their profession.

Phase 2, to be launched in 1987, will be directed to prospective employees—students, senior citizens and other potential resources.

Phase 3, to be initiated in late 1988, will promote the many services of America's hospitality industry to the general public. The objective of this final phase will be to solidify the industry's public image as a source of rewarding careers and the supplier of essential services to the nation.



The seven-minute videotape is the cornerstone of Phase 1 of the campaign.

The cornerstone of Phase 1 of the campaign, now in progress, is a seven-minute videotape, which introduces employees who comprise the hospitality industry—the busboy, chef, hotel manager, restaurant server, business executive and other hospitality industry personnel. Scenes depict the industry employees in action, helping consumers in such places as restaurants, hospitals and hotels.

Promotional materials support videotape

Supporting the videotape's message are promotional materials:

☐ a wallet-sized fact card profiling America's hospitality industry, the strength of its work force, total yearly sales and the industry's contribution to the national economy

☐ a set of 12 posters for employee bulletin boards, depicting the diversity of hospitality industry careers and the satisfaction industry employees can derive from their positions and career paths

☐ a corresponding set of envelope stuffers to be distributed to employees on a regular basis with paychecks or other company materials

☐ a logo sheet for use by industry members on their stationery, invoices or other advertising vehicles

☐ a series of six ad mats to be used with the industry press and

☐ bumper stickers and buttons that participating companies can distribute to their employees.

Copies of the videotape (VHS format) have been distributed to state associations affiliated with the sponsoring organizations. An information packet, including a description of the program's philosophy, a leaflet with stills from the videotape and samples of other promotional materials, has already been mailed to the 68,000 member companies.

"America's Hospitality Industry—Ours Is a Special World" is the result of 18 months of meetings, planning and organizing by hospitality association executives. When introducing the program, National Restaurant Association President Hasslocher said, "A tremendous amount of hard work went into the development of this campaign. But in spite of our efforts, the ultimate success of the program depends on one factor—industry-wide support. I urge every National Restaurant Association member and every member of the hospitality industry to participate in this campaign. Together, we can demonstrate to our employees, potential employees and the American public that ours is truly a special world."

In addition to the National Restaurant Association, the following organizations are sponsoring the campaign: American Culinary Federation; American Hotel & Motel Association; Council on Hotel, Restaurant and Institutional Education; Foodservice Equipment Distributors Association; Gold & Silver Plate Society; International Foodservice Distributors Association; International Foodservice Manufacturers Association; International Society of Hotel Association Executives; International Society of Restaurant Association Executives; National Association of Food Equipment Manufacturers; National Club Association; National Food Brokers Association; National Institute for the Foodservice Industry; and the National Restaurant Association/ACF U.S. Culinary Team Foundation.

—Anne Papa

WASHINGTONREPORT

Tax reform roundup

After 22 months of heated debate, Congress approved a sweeping overhaul of the nation's tax laws in late September. The bill set the stage for numerous changes to the IRS code beginning next year.

Included among the hundreds of revisions was the National Restaurant Association-opposed 80-percent limit on business meal and entertainment expense deductions. The new law will place an 80-percent ceiling on the deduction for meals and entertainment, including meals eaten away from home by business travelers. This change is effective Jan. 1, 1987.

Banquet meals are exempt from the 80-percent limit for two years (1987 and 1988) if they meet certain requirements (see September 1986 ***Restaurants USA***). The new law also eliminates the deduction for so-called "goodwill" meals (those that have no clear "business purpose") and provides a new statutory prohibition against the deductibility of lavish and extravagant meals.

"The vote on business meals and entertainment was strictly a political vote. . . . Our mission is clear: We must protect this legitimate activity from further erosion."

—Rep. William Boner (D-TN)

TJTC extended

The tax law retroactively extends the Targeted Jobs Tax Credit (TJTC) for three years, beginning Jan. 1, 1986. However, there are some changes: The first-year credit is 40 percent rather than 50 percent of qualified wages, the second-year credit is eliminated entirely, and a credit will not

FDA rejects fast food labeling

The Food and Drug Administration (FDA) recently joined the U.S. Department of Agriculture (USDA) in rejecting the concept of mandatory fast food ingredient labeling. More than a year ago, the Center for Science in the Public Interest (CSPI) asked the two federal agencies to begin enforcing fast food labeling, which CSPI claims is required by current law. USDA rejected CSPI's petition in December 1985.

Just prior to FDA's decision, the National Restaurant Association and three fast food representatives, in testimony before an FDA advisory committee, urged FDA to reject the mandatory labeling proposal.

CSPI's petition called for labeling only in fast food establishments, which it defined as restaurant chains with 10 or more franchised units. FDA's response to CSPI called the definition unclear, saying it could be construed as applying to "ice cream parlors, doughnut shops, movie theaters, bowling alleys and amusement parks."

Mandatory labeling would be impractical and unenforceable, FDA said. Citing the stock of separately labeled containers that would be required for a product such as pizza, Associate FDA Commissioner John Taylor pointed out that inventory and storage problems would have the effect of reducing efficiency and increasing costs.

Moreover, Taylor continued, "FDA cannot realistically enforce an ingredient labeling requirement." FDA's U.S. food inspection force numbers only 350, he said.

FDA's response cited a number of areas in which CSPI failed to support its own contentions. Although CSPI claimed that "compelling health reasons" necessitated labeling, the group inadequately documented actual cases of allergic reactions to food and failed to link fast food ingredient labeling with a lowered incidence of adverse reactions, FDA said.

And CSPI "provided no reason or justification why FDA should apply the enforcement policy based upon company structure (franchised operation) or company size (more than 10 outlets)," Taylor's letter noted.

FDA officials also met with key congressional staffers to outline FDA's objections to mandatory labeling. Two CSPI-backed bills requiring fast food ingredient disclosure were pending in Congress prior to adjournment in October.

be allowed unless an employee has worked a minimum of 120 hours or 90 days.

Sen. John Heinz (R-PA), a member of the Finance Committee, led the fight to extend TJTC, which the association worked hard to see included in the bill. "I was particularly pleased to have the National Restaurant Association's support in my successful effort to extend the Targeted Jobs Tax Credit," Heinz said.

Restaurants fare well, legislators say

Although the National Restaurant Association and other hospitality industry groups had as their top priority a 100 percent business meal deduction, key congressional players told ***Restaurants USA*** that the 80-percent limit is by no means a defeat for the industry.

"Many extremely popular deductions, such as sales taxes, consumer interest and IRAs, went by the board, and the National Restaurant Association's representatives were able to prevent further erosion of the deductibility of business meal and entertainment expenses," said U.S. Rep. Guy Vander Jagt (R-MI), a member of the House Ways and Means Committee. "In view of the enormous popularity of going after the so-called 'three-martini lunch,' maintaining 80 percent reflects the National Restaurant Association's extraordinary effort." In the House, the association's push for full deductibility of business meals was just two votes short when it came before the 36-member Ways and Means Committee last year. In fact, the effort mounted by the association and its members kept deductibility alive at 80 percent in the face of a plan by Chairman Dan Rostenkowski (D-IL) to cap the deduction at 75 percent.

In a crucial vote before the Senate Finance Committee this spring, the association's efforts to preserve 100-percent deductibility fell just one vote shy.

"The vote on business meals and entertainment was strictly a political vote. Chairman Rostenkowski even said that the entire tax package would unravel if this area was left untouched," explained Rep. William Boner (D-TN), chairman of the Congressional Travel & Tourism Caucus.

"The National Restaurant Association's aggressive grass-roots campaign prevented an even deeper reduction in the deductibility of a legitimate business activity.

"For those of us who support the hospitality industry, our mission is clear: We must protect this legitimate activity from further erosion," Boner said.

In the press for further reductions in the federal deficit, it is not unlikely that business will be tapped again for new revenue. But association officials believe the industry's nearly successful fight this year for full deductibility positions the foodservice industry very well to defend against any further attack on the business meal deduction.

—Jay Morris
—Denise Roach

Congress passes immigration reform bill

A landmark immigration bill prohibiting the hiring of illegal aliens and offering legal status to several million "illegals" already living in the United States was approved by both houses of Congress in mid-October. The historic vote ended five years of intense congressional debate on the issue. If approved by the President, as expected, the bill will make the first major changes to immigration law in 30 years.

As a means of deterring the entry of illegal aliens into the U.S., the bill prescribes civil and criminal sanctions against any employer who knowingly hires illegal aliens. For first offenses, an employer will be subject to civil penalties of between $250 and $2,000 for each illegal alien hired. Second-time offenders will face fines of between $2,000 and $5,000 per employee. Subsequent violations will result in a fine of between $3,000 and $10,000, and a pattern or practice of violations could result in a $3,000 fine and/or six months in prison.

The government would use the first six months after the bill's enactment to educate employers about the law and would not impose any penalties during that time. In the next 12 months, warnings would be issued for first-time infractions. Subsequent violations would result in fines.

A provision of the House bill under which employer sanctions would have automatically expired after six and one-half years was dropped from the final bill. Instead, the legislation makes employer sanctions permanent, dropping them only if congressional studies show them to be resulting in widespread employer discrimination against people who look or sound "foreign."

The immigration bill specifically outlaws employer discrimination against legal aliens and sets up a special office in the Justice Department to investigate discrimination charges. However, under the legislation it would not be illegal for an employer to hire an equally qualified citizen over a legal alien.

Senate conferees gave in to the National Restaurant Association-opposed provision in the House bill which mandated employer recordkeeping. Employers will now be required to maintain records showing that they have verified each applicant's employment eligibility by examining items such as passports, birth certificates and driver's licenses. Employers with inadequate paperwork will face fines of $100 to $1,000.

Millions of aliens who entered the country illegally before Jan. 1, 1982 and have lived continuously in the U.S. since then will be allowed to become permanent residents. The government estimates that as many as five million aliens might be affected by this provision.

The cost of the amnesty program—increased state spending on education and social services—will be borne in part by the federal government, which will provide one billion dollars to state and local governments in each of the next four years.

Congress has been struggling with immigration reform since 1982. Although many aspects of reform have been controversial, the real turning point came this year when House members were finally able to agree upon a provision setting up a separate legalization program for foreign farm laborers.

Washington Report Special

Restaurateurs, policymakers meet at

Public Affairs Conference

The National Restaurant Association's second Public Affairs Conference achieved a double success: It increased attendees' awareness of the political process, and it boosted Washington's awareness of the foodservice industry. More than 200 restaurateurs came to the nation's capital in September to participate in the conference's two days of speeches, discussions and meetings.

Attendees listened to and asked questions of some of the nation's most powerful leaders, including Sen. Edward Kennedy (D-MA), Health and Human Services Secretary Otis Bowen, Senate Budget Committee Chairman Pete Domenici (R-NM) and Labor Secretary William Brock.

Regulatory experts from the Internal Revenue Service (IRS), the Food and Drug Administration (FDA), the Department of Labor's (DOL's) Wage and Hour Administration and the Immigration and Naturalization Service briefed participants on current agency projects affecting the foodservice industry.

Political commentators provided spirited insights into the workings of Congress and the White House,

"As suppliers and restaurateurs, you must continue your exemplary record of concern for patrons' health and safety," urged Otis Bowen, Secretary of Health and Human Services.

C
AIRS
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PUBLIC AFFAIRS CONFERENCE
NRA

Senate Budget Committee Chairman Pete Domenici (R-NM) noted that Congress's job in meeting future deficit-reduction targets will become increasingly difficult. The likely result, he predicted, will be a tax hike.

NATI
PUBLIC AFFAIRS CONFERENCE
NRA
NATIONAL RESTAURANT ASSOCIATION

"I give the tax reform bill a 'C' for simplicity and a 'B' for fairness," quipped Sen. Edward Kennedy (D-MA).

RESTAURANT
ASSOCIATION

Regulatory experts fielded questions from a foodservice panel. From left to right, Lawrence Weinig, Immigration and Naturalization Service; Ralph Shilling, IRS; Paula Smith, DOL; and Dr. Sanford Miller, FDA.

George Will, syndicated columnist, said Gramm-Rudman symbolizes Congress's need for outside mechanisms to handle increasingly unmanageable tasks.

PUBLIC AFFAIRS CONFERENCE
NRA

DOL Secretary William Brock praised the foodservice industry for its role in the expansion of job opportunities in the 1980s.

Restaurateur Robert Hunter (The Clam Hut, Highlands, NJ) meets with Rep. James Howard (D-NJ) (right), chairman of the House Public Works and Transportation Committee.

Audience participation was encouraged during the general sessions.

Conference participants traveled to Capitol Hill to discuss foodservice issues with their senators and representatives. Here, Mississippi restaurateurs meet with Sen. Thad Cochran (R-MS). From left to right: Ned McInnis, Bill Latham, Sen. Cochran and Doug Fontaine.

the 1986 elections, the budget deficit and tax reform. Presenters included syndicated columnist George Will, *New Republic* senior editor Fred Barnes and PBS senior correspondent Paul Duke.

The highlight of the conference for many participants was the opportunity to meet with their congressional representatives. Topics raised by restaurateurs included government-mandated health benefits, liability insurance reform, immigration and tax policy.

"All were very receptive to the issues discussed," said Bill Latham (Olde English Pubs, Jackson, MS) of his visits to the offices of Sen. Thad Cochran (R-MS), Sen. John Stennis (D-MS) and Rep. Trent Lott (R-MS). C. Bruce Bannon (Open Hearth Restaurants, Gatlinburg, TN) remarked that association staff briefings and the discussions in congressional offices "gave me much more insight into what each bill contains."

"The conference was informative, and the opportunity to network with new colleagues was invaluable," concluded Barbara Gothard of Burger King Corporation in Miami, FL.

255 members of Congress attend

Chef d'Oeuvre Reception

The association's unique and highly popular Chef d'Oeuvre congressional reception gave Public Affairs Conference-goers another chance to meet dozens of senators and representatives in a more informal setting. Eight of Washington's finest restaurants provided some of their specialties for the event.

A record 255 senators and representatives from more than 40 states attended this year's reception. "You outdid yourselves again—the Fourth Annual Chef d'Oeuvre was splendid," said Rep. Bill Goodling (R-PA) in a letter of thanks.

Conference participants enjoyed the evening as well. "Six of our nine congressmen were at the reception. . . . it was a most beneficial way to meet these people," said a conference attendee from Tennessee.

This year's Chef d'Oeuvre made it easier than ever before for National Restaurant Association members to meet their members of Congress. The reception room was regionalized—with signs indicating the area (i.e., "South") so that congressional representatives could easily find their constituents.

Participating restaurants

* *Old Ebbit Grill*
* *Fourways*
* *Maison Blanche*
* *Morton's of Chicago*
* *The Prime Rib*
* *Taverna Cretekou*
* *Tiberio Ristorante*
* *The Watergate Hotel*

Rep. Jake Pickle (D-TX) is greeted by the association's Vice President Michael Grisanti and his wife Paula.

Association Director Ken Hill talks with Rep. Pat Roberts (R-KS).

The association's President and Chairman of the Board G. "Jim" Hasslocher welcomes Rep. Larry Coughlin (R-PA) to Chef d'Oeuvre.

EGGPLANT IMAM

Serves 8

Ingredients:

4 medium eggplants
2 lbs. onions
1 lb. diced ripe tomatoes
1 cup olive oil
3 Tbs. chopped parsley
1 Tbs. chopped garlic (optional)
2 Tbs. chopped fresh mint
½ cup raisins
½ cup pine nuts

Method:

Remove eggplant stems and cut eggplants in half. Remove some skin from uncut side of each eggplant half so the eggplant can be sauted on two sides. Lay the eight halves side-by-side in a pan, and saute in a little bit of olive oil for 3 minutes. Remove from heat.

Mix together tomatoes, parsley, garlic, mint, raisins and pine nuts.

Saute onions in one cup olive oil until the onions are transparent. Add in tomato mixture. Turn off heat once onions are tender. Do not overcook.

Spoon mixture over eggplant halves, making sure to completely surround eggplants. Cook at 350° for 45 minutes.

—*Taverna Cretekou*

REPOSITIONING

What to do when it's time to shift gears

A restaurant concept is much like a piece of clothing. When it is new and stylish, everyone likes it. When the style changes or the suit becomes ragged, people lose interest. Just as with clothing, a change in concept does not always mean throwing out the entire wardrobe. A few new accessories can often add new life and style, unless, of course, the suit is so careworn that it is beyond salvaging.

It can be frightening to suddenly wake up to the fact that a trendsetting restaurant concept has suddenly become passe. Most operators, however, are seldom surprised by such a startling revelation. They use predictors to keep ahead of consumers' fickle tastes, realizing that what is good enough today may not be good enough tomorrow.

"It is important to remember that every restaurant concept has a life cycle," cautions Brian Harron, restaurant consultant and author of the "Harron Report" (Scottsdale, AZ). Generally, a life cycle has four stages: concept development, growth, maturity and decline. "Large restaurant companies keep close tabs on the life cycle of each of their concepts, and they are poised to make changes as soon as their key indicators alert them that a concept is no longer in vogue," he adds.

Some warning signs

Fortunately for smaller operations, the most important indicators are easy to read. "Slides in sales and slides in patron counts are two barometers of how a business is doing," says Maurice

MAN DOES NOT LIVE BY PANCAKES ALONE.

New salads that stack up deliciously to our pancakes.

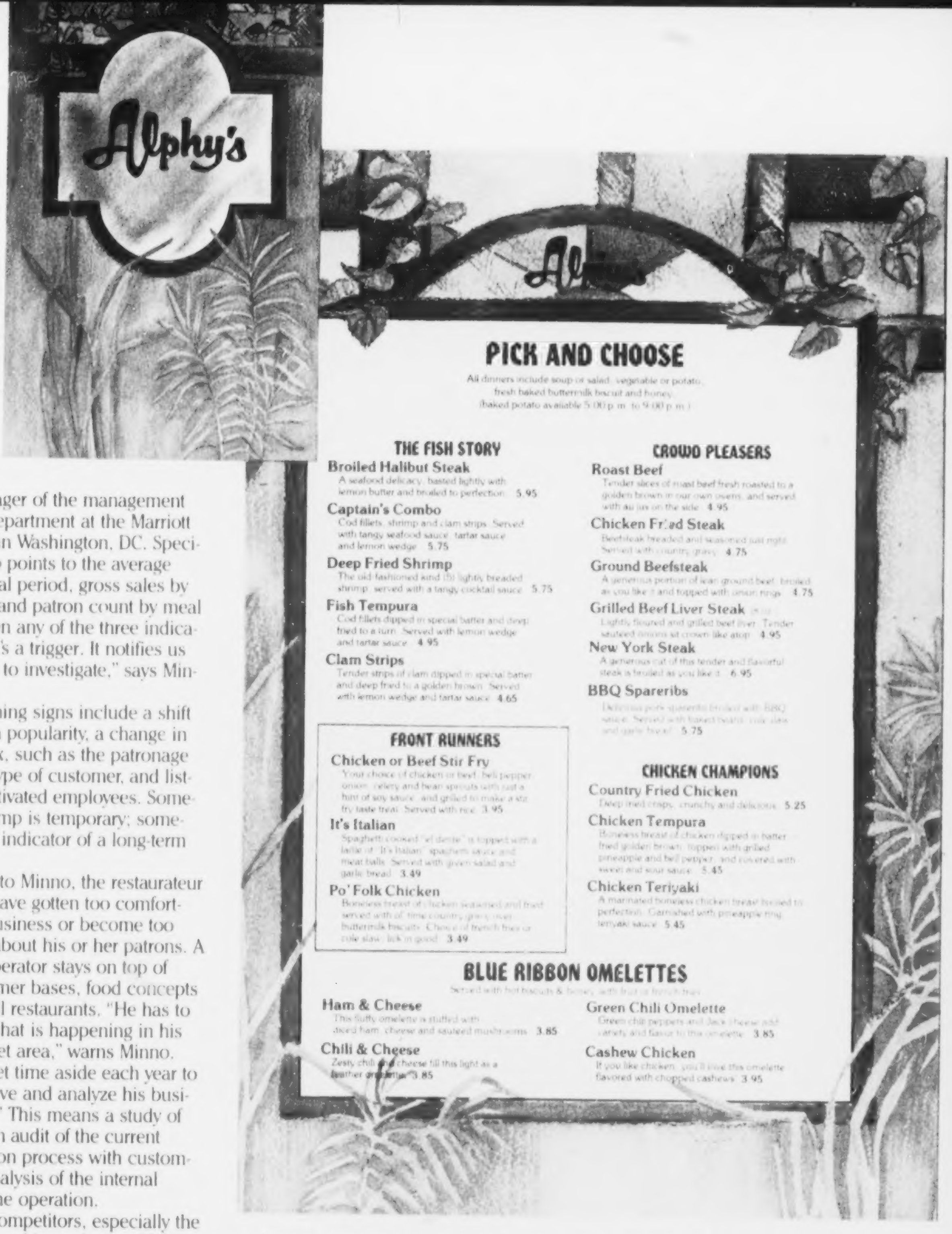
NEW Beef Taco Salad

NEW Chicken Taco Salad

NEW Chef's Salad International

NEW Seafood Salad

IHOP supported the new menu with advertising.



PICK AND CHOOSE

All dinners include soup or salad, vegetable or potato, fresh baked buttermilk biscuit and honey.
(baked potato available 5:00 p.m. to 9:00 p.m.)

THE FISH STORY

Broiled Halibut Steak
A seafood delicacy, basted lightly with lemon butter and broiled to perfection. 5.95

Captain's Combo
Cod fillets, shrimp and clam strips. Served with tangy seafood sauce, tartar sauce and lemon wedge. 5.75

Deep Fried Shrimp
The old-fashioned kind (5) lightly breaded shrimp, served with a tangy cocktail sauce. 5.75

Fish Tempura
Cod fillets dipped in special batter and deep fried to a turn. Served with lemon wedge and tartar sauce. 4.95

Clam Strips
Tender strips of clam dipped in special batter and deep fried to a golden brown. Served with lemon wedge and tartar sauce. 4.65

FRONT RUNNERS

Chicken or Beef Stir Fry
Your choice of chicken or beef, bell pepper, onion, celery and bean sprouts with just a hint of soy sauce, and grilled to make a stir fry taste treat. Served with rice. 3.95

It's Italian
Spaghetti cooked "al dente" is topped with a ladle of "It's Italian" spaghetti sauce and meat balls. Served with green salad and garlic bread. 3.49

Po' Folk Chicken
Boneless breast of chicken seasoned and fried served with ol' time country gravy over buttermilk biscuits. Choice of french fries or cole slaw. lick'in good! 3.49

CROWD PLEASERS

Roast Beef
Tender slices of roast beef fresh roasted to a golden brown in our own ovens, and served with au jus on the side. 4.95

Chicken Fr:ed Steak
Beefsteak breaded and seasoned just right. Served with country gravy. 4.75

Ground Beefsteak
A generous portion of lean ground beef, broiled as you like it and topped with onion rings. 4.75

Grilled Beef Liver Steak [illegible]
Lightly floured and grilled beef liver. Tender sauteed onions sit crown like atop. 4.95

New York Steak
A generous cut of this tender and flavorful steak is broiled as you like it. 6.95

BBQ Spareribs
Delicious pork spareribs broiled with BBQ sauce. Served with baked beans, cole slaw and garlic bread. 5.75

CHICKEN CHAMPIONS

Country Fried Chicken
Deep fried crispy, crunchy and delicious. 5.25

Chicken Tempura
Boneless breast of chicken dipped in batter, fried golden brown, topped with grilled pineapple and bell pepper, and covered with sweet and sour sauce. 5.45

Chicken Teriyaki
A marinated boneless chicken breast broiled to perfection. Garnished with pineapple ring, teriyaki sauce. 5.45

BLUE RIBBON OMELETTES

Served with hot biscuits & honey, with fruit or french fries

Ham & Cheese
This fluffy omelette is stuffed with diced ham, cheese and sauteed mushrooms. 3.85

Chili & Cheese
Zesty chili and cheese fill this light as a feather omelette. 3.85

Green Chili Omelette
Green chili peppers and Jack cheese add variety and flavor to this omelette. 3.85

Cashew Chicken
If you like chicken, you'll love this omelette flavored with chopped cashews. 3.95

A change does not always mean looking ahead. Millie's Country Kitchens went back

Minno, manager of the management consulting department at the Marriott Corporation in Washington, DC. Specifically, Minno points to the average check by meal period, gross sales by meal period and patron count by meal period. "When any of the three indicators slump, it's a trigger. It notifies us that we need to investigate," says Minno.

Other warning signs include a shift in menu item popularity, a change in customer mix, such as the patronage of only one type of customer, and listless or unmotivated employees. Sometimes the slump is temporary; sometimes it is an indicator of a long-term problem.

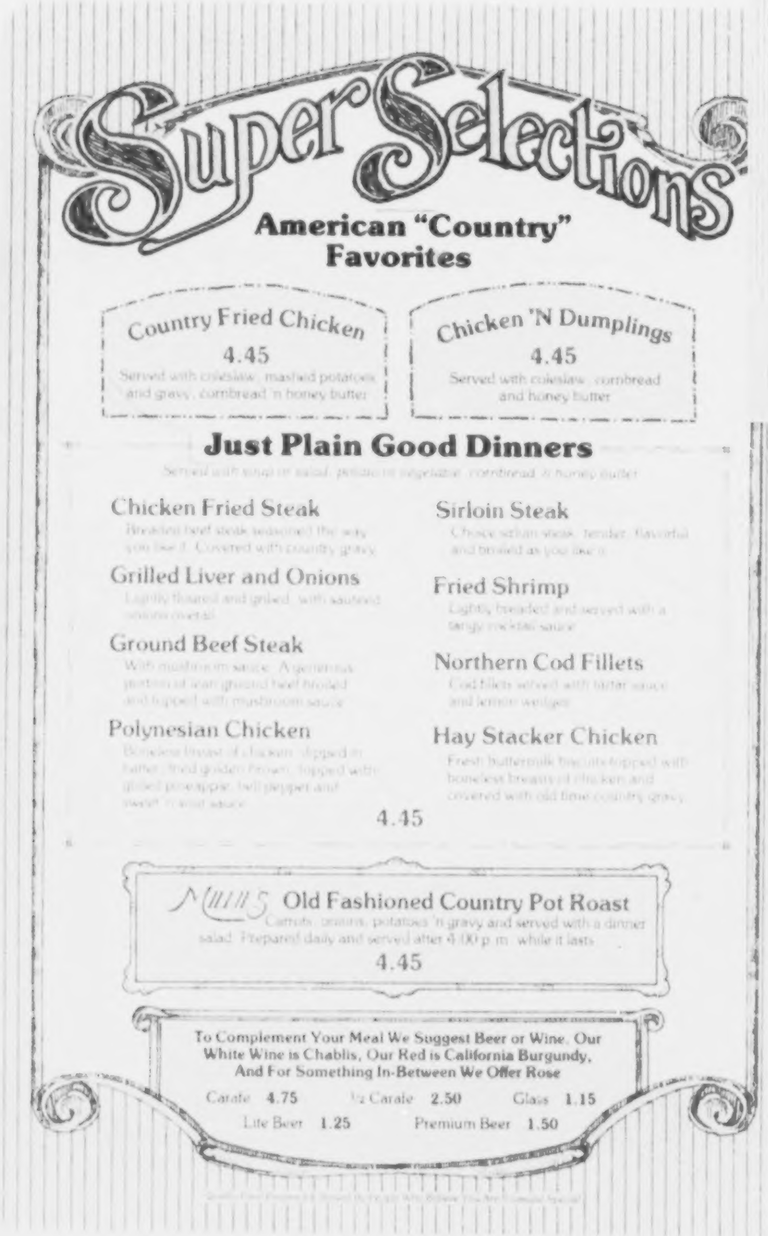
According to Minno, the restaurateur may simply have gotten too comfortable in the business or become too complacent about his or her patrons. A successful operator stays on top of trends, customer bases, food concepts and new local restaurants. "He has to understand what is happening in his defined market area," warns Minno. "He should set time aside each year to be introspective and analyze his business strategy." This means a study of the market, an audit of the current communication process with customers and an analysis of the internal workings of the operation.

Watching competitors, especially the ones that are making gains, and keeping tabs on similar operations in other parts of the country also serve to keep the successful operator in step with changing trends and to assess which problems are operation specific.

Customer research is key

One company that hopes to avoid the panic of suddenly finding itself out of step is Shari's Management Corp. in Portland, OR, operator of 23 family restaurants (typically 130 seats). This past year, Shari's developed its own system of in-store consumer surveys. Feedback from these surveys alerts managers to the success or failure of many aspects of the operation—the quality of the food, the cleanliness, the service and the menu, as well as which competitor restaurants customers are frequenting.

Shari's also subscribes to several demographic services which provide detailed neighborhood market reports. The management staff uses the infor-



Super Selections

American "Country" Favorites

Country Fried Chicken
4.45
Served with coleslaw, mashed potatoes and gravy, cornbread 'n honey butter

Chicken 'N Dumplings
4.45
Served with coleslaw, cornbread and honey butter

Just Plain Good Dinners
Served with soup or salad, potato or vegetable, cornbread 'n honey butter

Chicken Fried Steak
Breaded beef steak seasoned the way you like it. Covered with country gravy

Grilled Liver and Onions
Lightly floured and grilled, with sauteed onions overall

Ground Beef Steak
With mushroom sauce. A generous portion of lean ground beef broiled and topped with mushroom sauce

Polynesian Chicken
Boneless breast of chicken, dipped in batter, fried golden brown, topped with grilled pineapple, bell pepper and sweet 'n sour sauce

Sirloin Steak
Choice sirloin steak, tender, flavorful and broiled as you like it

Fried Shrimp
Lightly breaded and served with a tangy cocktail sauce

Northern Cod Fillets
Cod fillets served with tartar sauce and lemon wedges

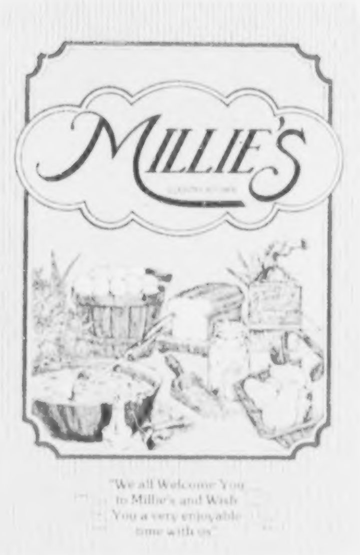
Hay Stacker Chicken
Fresh buttermilk biscuits topped with boneless breasts of chicken and covered with old time country gravy

4.45

Millie's **Old Fashioned Country Pot Roast**
Carrots, onions, potatoes 'n gravy and served with a dinner salad. Prepared daily and served after 4:00 p.m. while it lasts
4.45

To Complement Your Meal We Suggest Beer or Wine. Our White Wine is Chablis, Our Red is California Burgundy, And For Something In-Between We Offer Rose

Carafe **4.75** ½ Carafe **2.50** Glass **1.15**
Lite Beer **1.25** Premium Beer **1.50**



"We all Welcome You to Millie's and Wish You a very enjoyable time with us"

to homestyle cooking to build its customer base.

mation gleaned from the reports to customize menu specials in individual operations, thereby routinely repositioning each unit. For example, Shari's Vice President of Marketing Georges Bouhey keeps careful track of time-of-day sales, noting which units cater to a lunch business and which are more dinner oriented. In this way, he knows when to offer specials to bolster the less-frequented meal.

Sometimes it is a good idea to evaluate the restaurant from the perspective of the patron. "Get a professional opinion to determine what you look like and how you are being perceived," advises Martin Roberts, vice president of Landor Associates, an international corporate image management consulting firm with United States headquarters in New York, NY. An experienced consultant can come in unannounced and assess the restaurant from top to bottom, considering such factors as the greeting, the service (courtesy, promptness, appearance, suggestive selling, etc.), the quality of the food and beverages (appearance, temperature, etc.), the condition of the facility and, finally, the value perceived (do customers think they are getting what they are paying for?).

Repositioning requires internal and external changes

If a shift in concept is necessary, be prepared to make internal and external changes. Internal changes include the menu, service style and image of the restaurant. They could be as simple as putting a second tablecloth on the tables to give them a new color and the whole dining room a new image or adding daily specials to the menu to keep up with the trends, test new menu items or change the menu mix. If you do make changes, make sure they match your overall identity.

In concert with what is happening internally, external changes also should be made to tell the customer you are different. "If you alter the product—say from frozen to fresh—you have to signal this to the customer. You might install an exhibition kitchen so customers can see that the product is fresh or you might opt for fresh food displays or grazing bars. But regardless of your choice, you must communicate the change to the customer," warns Roberts.

"If you don't make external changes, only your present customers will notice what you've done, and you won't increase sales," adds Minno. Perhaps this means giving your operation a new name or advertising and promoting the changes you have made. Your promotions do not have to be costly. Target your message carefully to where your potential customers are, whether in office parks, apartment buildings, hospitals, colleges, etc. For example, hire a clown or costumed characters to pass out balloons or hand out invitations to dine at your "new" restaurant.

Some examples

Starting over

If a large portion of a restaurant's customers comes from the immediate surrounding area, it is a good idea to keep an eye on the neighborhood. And when changes take place, a shift in concept may be necessary. At one extreme may be the need for an entirely new facility. Rick Webb, co-owner of Webb Enterprises in Golden Valley, MN, the parent company of six restaurants in the Minneapolis suburbs, noticed that the area around one operation had become more developed, and he decided to shift direction entirely.

Webb's My Pie Pizza was located in a shopping center on a connector highway between downtown Minneapolis and the suburbs. As office buildings, motels and hotels began to build up along the strip, "it looked like the right location for something we had wanted to do—create an entertainment center—and we waited for an old smorgasbord on the site to go out of business next to our My Pie Pizza," Webb recalls. "After our customers ate, we wanted to give them entertainment and keep their business later into the evening."

Because the population has become more concentrated, the idea has worked out perfectly. Webb converted the old smorgasbord restaurant and his My Pie Pizza establishment into Rupert's, a three-restaurant concept. The complex includes a 210-seat restaurant

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How new concepts can change the operation design

by David F. Overbagh, Woody Woodburn and Bonnie Friedberg

New concepts are challenging restaurateurs to keep their facilities up to date. This article takes a look at what it takes to make the transition when operations feature such add-ons as food bars, display kitchens and take out.

Restaurants of all types respond to changes in American eating patterns by creating new concepts or altering existing ones. This task can be difficult, indeed, when a kitchen planned for a particular concept must be converted to provide the makings of a new one. Likewise, the design of the front of the house may need to be altered as well. In recent years, such changes have included renovated menus, display kitchens and take-out services.

A menu change can alter preparation style

The most common way to update a concept is to change the menu. Menus are sometimes renovated in their entirety to create a whole new theme, but sometimes altering only a few items can give the menu a different "feel." If a menu has been updated to focus on light, freshly prepared foods that appeal to health-conscious diners, such a move will require different methods of cooking and different types of equipment to preserve vitamin content and natural textures as well as to control calorie levels. This change in food preparation style may create the need for additional equipment, such as a small convection steamer, and may make other equipment obsolete, such as large expanses of range top.

If, on the other hand, a restaurant decides to feature unusual ingredients not previously available, such as imported mushrooms, tropical fruits and exotic vegetables, this shift may require special planning to incorporate the delicacies. One way to accommodate menu changes is to substitute equipment which serves more than one purpose. Examples of equipment items that are multipurpose include

☐ tilt skillets that can be used for braising, frying, baking, steaming and griddling

☐ fryers modified for oil or water use (i.e., boiling pasta) with special accessories

☐ convection oven/microwave oven combination units which have the speed of microwave cooking with the browning/roasting patterns of convection cooking and

☐ combination convection steamer/convection ovens which can bake, roast and steam in cycles or at the same time.

Newly popular menu concepts may demand equipment such as microwave ovens, electronic fryers, Chinese woks, wood-burning grills, minimal serving-sized steam kettles and nonstick pans for fat-free cooking. The need for these innovations may even necessitate a general rearrangement of the preparation area.

For example, the noticeable trend toward elaborate desserts, non-alcoholic drinks and food bars can create production headaches if not carefully an-

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called Rupert's, which features casual American cuisine; CocoLezzone's, a 160-seat casual Northern Italian restaurant; and a night spot known as Rupert's Night Club, which can admit 650 people. The former My Pie Pizza became a take-out deli. Webb has celebrated Rupert's second anniversary at the location. He views the changeover as completely correct for the location, and he is glad he made the decision to change.

Redoing the entire operation

Not every make-over requires a brand new facility. Sometimes a face-lift will do the trick, and the degree of change required varies from operation to operation. When a complete overhaul is necessary, every aspect of the business must be changed, from the name on the door to the kitchen design.

Ruben and Millie Villavicencio, co-owners of Millie's Country Kitchens, a 17-restaurant operation in southern California (80 to 156 seats), had no choice but to reposition. As part of the purchase agreement for the chain, the Villavicencios were under contract to change the restaurants' name and concept from Alphy's Coffee Shops within three years. The Villavicencios' goal was to find their own special niche in the marketplace. "Alphy's was a coffee shop operation much like Denny's, Bob's or Coco's," explains Ruben Villavicencio. "But we knew we wanted to find our own niche, our own point of difference."

The Villavicencios turned to the 6,500 customers who came through the Alphy's restaurants each week. "We thought this was the best group of people to ask what kinds of things they liked," says Ruben Villavicencio.

The research confirmed their convictions: "People wanted basic foods, and they liked the foods that they grew up with. They wanted a sense of security." Based on these results, the Villavicencios created a new, warm, personal identity for the restaurants and began serving more home-style food—fresh chicken instead of frozen, a slow-cooked pot roast, chicken and dumplings and homemade biscuits and cin-

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ticipated. The success of pricey baked goods depends on adequate merchandising units, such as display cases or tableside serving carts, and additional freezer space may be needed for imaginative ice-cream confections. The move to fancy "mocktails" in lieu of alcohol-containing beverages often necessitates renovating existing bar space to add ice crushers or bulk crushed-ice bins for fruited slush drinks. Increased ice cream, cream and milk storage space may be needed as well as additional blenders and mixers.

Although cold food bars are often used to inject movement and liveliness into a dining concept, they require adequate production space for preparing raw fruits and vegetables (washing, peeling, slicing, etc.) and added cooler space to hold bins of precut food bar items.

"Mobile" food bars or service carts can support an elegant concept if there is space for access between tables, service stations and kitchen doors. Calculations should also be made to determine where the carts will be kept when not in use and how much "parking space" will be required.

Display kitchens require careful planning

When customers are given the opportunity to view selected menu items in various stages of production, the display can be a powerful merchandising tool. However, when a concept changes to include visible cooking, this significantly alters both the front and back-of-the-house design.

The main challenge in designing an open kitchen is compactness. There is no room for wasted space or superfluous equipment. That is why open kitchens can be planned only after the foods that will be prepared are selected. The items should be fairly limited and geared toward visual presentations. They should challenge the senses, providing colors, aromas and sounds that excite an audience. Foods that are unsightly in a raw state, such as organ meats, or that do not lend themselves to showy preparation should be avoided.

If ventilation is limited or unavailable in the area chosen for the display kitchen, the menu should be altered accordingly. Cold food preparation (salads, shucked oysters, sushi, desserts) can be as effective as foods that require grilling, frying or sauteing.

Waste accumulation should be minimized; menu items should be cleaned and pre-prepped in the main kitchen. Any further waste in the display area can be dealt with discreetly by enclosing part of the area to protect it from view. Because sanitation is critical, all areas should offer easy access for continual cleaning. Excess noise is controllable with glass partitions that still allow good visibility.

Take out usually requires back-of-the-house changes

The addition of take-out services will affect the food facility design, but, if it is well planned, it need not interfere with the restaurant's primary function.

The take-out menu is a driving force in design changes in the back of the house. If it parallels the dining room menu, it may necessitate the purchase of additional pieces of existing equipment or perhaps pieces of larger capacity to accommodate increased volume of production. An ambitious menu that is different from the dining room menu may require extra units that support only the carryout segment. Storage space will be seriously affected by the packaging material that will be required for the food, and the planner will be challenged to squeeze more space out of what may already be a crowded storeroom.

Take-out services may also require front-of-the-house changes, such as a separate entrance for customer convenience and good traffic flow, new equipment for display and sales and counter space for taking orders and receiving payments. Display units for merchandising or refrigerated cases for holding foods may be part of the design plan along with racks, shelving and container dispensers.

In sum

Keeping up with the times is a multifaceted task in the foodservice industry. Restaurant concepts can only be contemporized with the support of a facilities design that complements the changes. ❑

namon rolls. According to Ruben Villavicencio, the response has been overwhelming. Today, the restaurants carry fewer items and use daily specials to keep customers from getting bored.

In choosing the name for the units, the Villavicencios and staff went through thousands of possibilities but came back to using the name of Ruben Villavicencio's wife, Millie. The decision to turn Alphy's Coffee Shops into Millie's Country Kitchens has worked out better than the owners thought imaginable. "It has worked out beautifully," says Ruben Villavicencio. "People ask, 'Where's Millie? Is there a real Millie?' And we can honestly answer, 'Yes!' Millie has been in all the units. She meets customers and gives them that sense of identification the research showed they wanted." The old-fashioned theme pervades every aspect of the operation.

As with any repositioning effort, testing is crucial. Even though the research suggested that the make-over was on the right track, the Villavicencios did not chance going systemwide, until they had tested the new Millie's Country Kitchens concept for a full year in one of the more remote locations. "It turned out that we were 85 percent right, but 15 percent of our concept needed refining and fine tuning. Over the year, we refined the pricing, the food and the serving methods. Now, business is 35 percent ahead of last year, systemwide."

A change in menu focus

The International House of Pancakes (IHOP) is a classic example of an operation that has successfully repositioned itself. In 1982, after 24 years as a breakfast operation, IHOP Corporation (468 units nationwide; 70 to 200 seats per unit) decided to spread its wings and go for a share of the lunch and dinner business. "In 15 percent of our units, we were basically maxed out by 11:00 to 11:30 a.m.," explains Stephen T. Pettise, vice president, marketing. "We realized that if we could do the complicated breakfasts we serve, we could do lunch and dinner as well."

After four years of effort, IHOP's dinner business now approaches 40 percent of sales. Part of the success of the transformation is due to IHOP's careful market research. IHOP reviewed every aspect of the operation in both consumer and competitor research, eventually changing only the menu. "I am proud to say that out of the 15 items we rolled out nationally two years ago," says Pettise, "13 are still on the menu."

Further changes are on the drawing board, including going after a larger luncheon segment and redesigning new units.

Fine tuning the atmosphere

Sometimes it is the atmosphere of a restaurant that is out of step. When the owners of Art's Supper Club, alias The Dairy in Chicago, IL (203 seats), renovated an historic mansion, they sidestepped its speakeasy past and created an upscale, quietly elegant restaurant. The restaurant never caught on. When it was sold to new owners, they capitalized on the location's history as a hangout for such famous gangsters as Al Capone and recreated its original use as a speakeasy.

The new speakeasy theme is apparent in almost every aspect of the restaurant. Passwords and code names are needed to enter and mason jars and miniature bathtubs substitute for drink glasses. Uniforms were traded for gangster and flapper costumes, lamp posts were put inside, a new drink list with nostalgic titles was added and the new menu has shifted from steaks and chops to more ethnic entrees, such as *Pasta Alphonso*. In addition, there is a 17-piece band each Thursday, Friday and Saturday that starts to play tunes of the 20s and 30s after the dinner hour. To promote the transition, the restaurant has arranged to host the press party for the movie "The Al Capone Story," due to be released in late December.

In sum

Repositioning is not easy. For some operations, there is no other choice but to redo the entire concept—time for questioning is long past—as declining revenues tell. In such a case, "sometimes it is better to just shut the doors for a while, think and then come back with something else," recommends Brian Harron.

But a total concept change is not always necessary. Many innovative operators have shown that by changing only a few elements of a concept, remarkable turnarounds are possible. ☐

A checklist

by Julia Stewart

Evaluating your business takes time and energy. It is the toughest thing we all have to do, whether we have big or small operations. But those who have tried the sit-down-and-put-your-nose-to-the-grindstone process of intense evaluation, will tell you it has made their businesses successful. Only through evaluation are you able to say to yourself, "Here is my business, here is my focus and here is what I want to do with them."

These are some of the key elements you should keep in mind when evaluating a business:

☐ **Business definition.** What type of food do you serve? What type of service do you offer? What type of atmosphere do you create? What is unique about your restaurant? Simply saying you are a "family restaurant" is not a business definition. But let's say you serve American food; you serve breakfast, lunch and dinner; you offer full service and friendly atmosphere and you offer prices that are more reasonable than those of your competitors. I would define your restaurant as a family restaurant that offers breakfast, lunch and dinner in a comfortable atmosphere at reasonable prices. That is a short and sweet business definition.

To test how successful your current business definition is, go into your restaurant and ask each of your employees to define your business. If your employees understand your business definition, chances are your customers will, too. But if there is some confu-

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Julia Stewart is vice president of marketing for Stuart Anderson's Black Angus/Cattle Company Restaurants and American Grill Restaurants, Menlo Park, CA. This article is excerpted from her presentation, "The Marketing Plan: Can You Afford Not To Do One?", delivered at the National Restaurant Association's 1986 National Conference on Marketing, Advertising and Promotions in Chicago, IL.

for evaluating your business

sion, you may, in fact, be saying one thing to your customers and another to your employees.

☐ **Current position.** How do you fit into your business segment? For instance, if you operate a family restaurant, look at all the other family restaurants in your area or in the industry. Are you lower or higher priced? Do you offer similar or different types of foods? What is unique about your operation? Determining your current position as it relates to your business segment is often the toughest parameter to measure, but it helps you see where you are and where you want to be.

☐ **Menu point of view.** Take a look at your menu—whether it is on a graphic board, a chalkboard or a printed piece on the table. Does your menu have a clear focus? Does everything on your menu have a reason for being there? If you don't have a focus—if you are confused—chances are your customers are, too.

A woman who owns an Italian restaurant once complained to me that, although she ran a successful business, she could not sell any desserts. So I looked at her menu. The dessert category listed vanilla ice cream, hot apple pie and the like. I asked her, "If you're an Italian restaurant, why not try selling desserts like cannoli that fit into your Italian concept?"

The restaurant owner made the changes, and she told me recently that 10 percent of her menu mix is now desserts. People come into her restaurant for an Italian dining experience. To complete that experience, they want desserts that make sense, that have an Italian focus.

☐ **Your niche.** We have all read and talked a lot about "finding a niche." It is more difficult than it sounds. I don't know how many new niches are left in the United States.

For instance, a gentleman in Texas opened a restaurant called Fajitas, and fajitas were the only thing he sold. At first, he was very successful. But before he knew it, every Mexican restaurant in town was selling fajitas, and there wasn't anything unique about his restaurant.

Maybe your restaurant fits into a large category, and you don't have anything that is so unique that you are the only business in town that sells it. Hopefully, you do a better job of it than anyone else. So ask yourself, "What in my restaurant makes me unique in my category? Do I execute an item or offer a service that is better than my competition?"

☐ **Your customers.** What do you know about your customers? Who are they? What are their likes and dislikes? Which items do they normally buy in your restaurant? Which upscale items can you sell with a little extra effort? Which items should be taken off the menu? The more you know about your customers, the better off you are in terms of targeting them. This is an ongoing process.

A lot of people say to me, "I don't want to spend a lot of money, but I really want to find out about my customers." There are many ways to learn about your customers without spending a fortune on research, such as customer response cards, trading area surveys or customer interviews.

We recently did a trading area survey at a Stuart Anderson's unit. We put dots on a map to find out where our customers were coming from. Through the survey we were able to determine that customers who lived seven or eight miles away from the restaurant were coming in for dinner, while customers who lived closer in were not. So we knew to send some direct mail to people who lived within one mile of our trading area.

☐ **Your competition.** Be constantly aware of your competition. Learn to predict their moves. You want to try to stay one step ahead. At Stuart Anderson's, I don't want to see *our* receipts—I want to see receipts from other restaurants. I want to know what is on other people's menus. I want to know what is working for them, what is not, what new items are being tried. In fact, we pay our district managers to eat at the competition once a month. You would be amazed what you can find out by looking at menus, table tents and other facets of the competition. You gain insights into ideas you may not have tried and areas where others are excelling.

A fast food operator once told me he was so busy running his restaurant that he never even noticed a major competitor opening up. He drove by the construction site every day, but he never gave it a thought. By the time the restaurant opened, he did not have a chance to create a strategy to compete, and it cost him 10 to 15 percent of his lunch business.

☐ **The cost of doing business.** What are your margins? If you are considering discounting a particular product, you need to think of every aspect. Knowing your specific food and liquor costs helps you determine which items can be discounted without hurting the bottom line.

☐ **Resources.** What resources do you have at your disposal? When people tell me they have decided to upscale their operation to a white tablecloth restaurant, I ask them about their resources. Do they have someone who can train servers? Do they have capable chefs? Do they have the financial resources to remodel the restaurant? Who will do the product development, and who will do the marketing plan to introduce the new concept to customers?

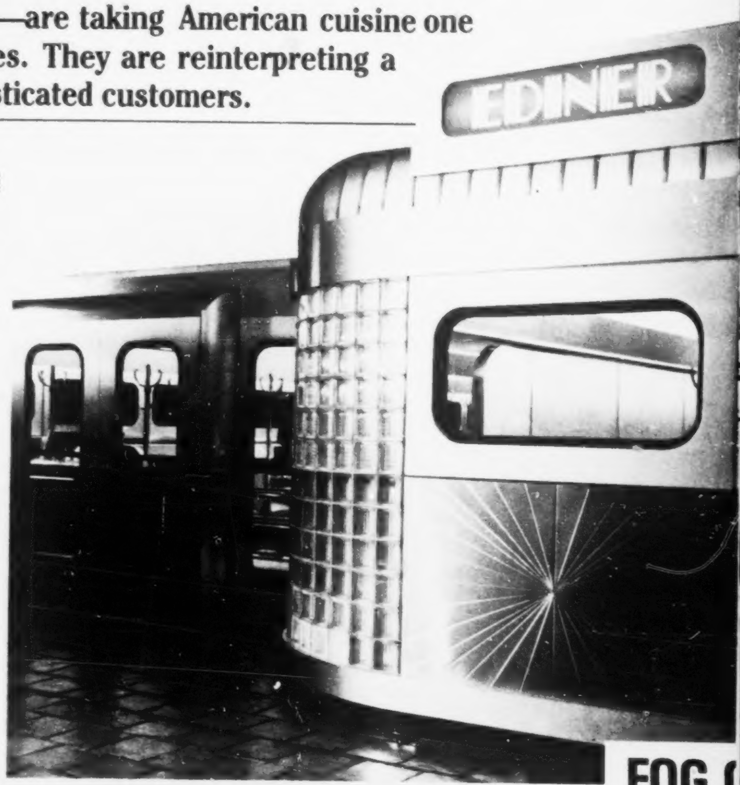
☐ **Progress vs. previous plan.** Lastly, if you have done a marketing plan in the past, you should evaluate your business in terms of that plan before beginning a new one. What was right or wrong about the previous plan? What can you improve on? If elements of the previous plan were successful, stick with them. You don't need to reinvent the wheel.

After considering all of these elements, you can then say to yourself, "Here is my business, here is my focus and here is what I want to do with them." ❑

America's Star-Spangled DINERS

by Cecelia Niepold

Diners of today—the places, not the people—are taking American cuisine one step beyond regional ingredients and recipes. They are reinterpreting a familiar, homestyle concept for more sophisticated customers.



Surrounded by fan-shaped stainless steel, shiny swivel stools and snatches of Elvis tunes, elbows fight ketchup bottles and coffee cups. "One bowl of blue plate bossy," says Lulu to Dottie. And a bowl of beef stew (homemade, of course) is plunked down on the speckled Formica countertop. The scene is enough to make you believe you have stumbled into a diner of the 1950s.

But that's an illusion. It is, after all, 1986; and although today's diners have a flavor of the 1950s, they also have a very strong taste of the 1980s.

For instance, not all are open 24-hours a day; some close early. Others do not even offer breakfast. And most offer much more than beef stew or a cheesesteak hoagie—say a Cajun burger or a Brie omelet. Three-piece suited yuppies sit comfortably next to families. And parked outside are BMWs and Volvos, not 18-wheelers.

The juxtaposition is no accident. Today's diners are not just re-creations of the past. They are sophisticated reinterpretations designed to fit today's market—a more experienced, sophisticated crowd whose palates—and expectations—have benefited from 30 years of culinary education and experimentation. Today's diner operators, too, are not the same "mom and pops" of yesterday. They are experienced restaurateurs (many of them from large companies) who have discovered that diners fill a viable niche in the market.

Diners represent a bit of the past; a hearty meal; a familiar, casual atmosphere; convenience; fast service and individuality. By selectively choosing (and sometimes exaggerating) some or all of these familiar diner trademarks, today's restaurateurs are creating their own unique diner concepts for the 80s.

Cecelia Niepold is managing editor at **Restaurants USA.**

Idealizing the past

"Nostalgia definitely has something to do with the revival of diners today," maintains Richard Gutman, author of *American Diner.* "They are places that people went to when they were growing up, and they conjure up fond memories of hometown Americana."

Diners of the 80s don't just simulate the past, however. They make the past more real than it ever was—like a Hollywood set. (It's a safe bet that no diner in the 50s actually advertised that its mashed potatoes were lumpy.)

* * *

Evidence that this kind of idealized concept works is apparent at eateries such as Ed Debevic's Short Orders/Deluxe, a four-unit (average 250 to 350 seats), 50s-style diner operation located in Chicago, IL; Phoenix, AZ; and Los Angeles, CA. As Rich Melman, one of three Ed Debevic's partners and president of Chicago-based Lettuce Entertain You Enterprises, says, "People's

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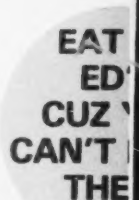

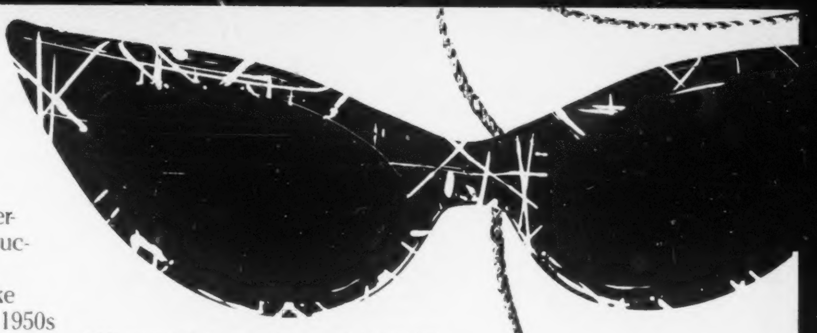

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Have Fun!
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emotional ties to the past have certainly been a great factor in our success."

Walking into Ed Debevic's is like stepping onto a perfectly staged 1950s movie set. As a matter of fact, Melman was an associate producer for a film set in 1952, and that experience generated many of the detailed touches at Ed's. With a slogan that boasts, "Not just a restaurant, but a way of life," Ed's has been designed to fulfill all of a customer's fantasies about the 50s.

Even Ed Debevic is an incredible invention, brought to life as "the type of guy who would actually run a 50s diner." Although he is a fictional character, his personality pervades the whole concept. Messages from Ed, including, "If you don't like the way I do things, buy me out," are on the menus, and his bowling trophies are displayed proudly next to signs welcoming him back from the Korean War.

The atmosphere also has been painstakingly constructed. Numerous artifacts were searched out or recreated. The vintage pinball machines, jukeboxes and hodgepodge decor clearly say "50s." Even the gum-snapping waitresses (who have to audition for their roles) play a part in the scene, with perky bows in their hair, bobby socks and nametags such as "Boom Boom" and "Frenchie."

The authenticity extends to the menu. Melman and his partners turned to childhood memories and old cookbooks "to create a restaurant that served the kind of food we thought was really American—meat loaf and pudding," Melman recalls. Offerings include such home-style favorites as chicken fried steak and wets—fries with gravy. Even the prices dip into the past—nothing is more than $4.95.

* * *

Nostalgia also plays a key role at The Diner, a new, 250-seat, southern 50s-style eatery in Glenview, IL. Owner Roger Greenfield's aim was to develop a moderately priced, fun place that would appeal to all ages. A diner atmosphere seemed to be the perfect backdrop—especially when a building on a busy corner, shaped like a train car, was discovered.

"All the fun soda shops have disappeared," laments Greenfield, president of Greenfield Restaurants, a diverse restaurant group based in Chicago, IL. "We wanted to create something that would bring back those good memories."

As a result, the decor is classic America circa 1950s and 1960s. Greenfield combined vintage items, such as an authentic Bastian Blessing soda fountain, old neon clocks, black-and-white checkerboard tiles and quilted stainless steel walls. Servers, dressed in college letter sweaters and answering to the names of characters from the movie "Animal House" (Bluto, Flounder, Niedermeyer, etc.), add to the lively ambiance.

The menu, though filled with authentic southern-style favorites, such as fried chicken with collard greens, biscuits and potatoes, has been slightly broadened with offbeat "today" combinations, such as Cajun meat loaf and blackened burgers, to accommodate recent trends. Checks average around $6.00.

BE PATIENT!
GOURMET FOOD
TAKES TIME

Back to the basics

Although nostalgia is an underlying theme in many of today's "new" diners, not all operators are using it as their main draw. Instead, some are emphasizing the practical aspects of the diner image—fast service, convenience and basic foods—because these characteristics best suit their market.

* * *

A diner in a mall? It's a perfect fit, according to Jack and Susan Seltz. After researching the idea, the Seltzes decided an all-American diner would be the perfect vehicle for serving convenient, home-style food. "We wanted to get back to the basics—soups cooked fresh daily and homemade gravies—and give people a chance to enjoy homecooked meals," explains Jack

If you like the music, great, but please don't sing or dance with the waitresses. They've got work to do.

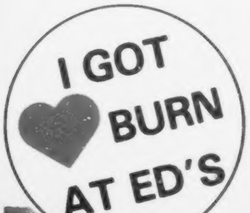
Seltz, chairman of the four-unit (average 150 seats) Ediner concept in Edina, MN. "Fast service is our backbone; orders are served in 10 to 12 minutes. That and the $4.50 check average have made it an everyday eatery for people in the area," he adds.

Not everything about Ediner is traditional, however. Its mall locations have meant slow breakfast business. Consequently, the menu focuses on lunch and dinner entrees, which range from such blue plate specials as hot turkey sandwiches, mashed potatoes and gravy and salad or coleslaw to Coney Island hot dogs, Sloppy Joes and lots of malts and sundaes.

Although the shiny, stainless steel, glass block, seafoam-green booths, speckled Formica counter and 1940s jukebox selections, such as Glenn Miller and the Andrews Sisters, are definitely reminiscent of the past, Seltz has resisted making the atmosphere too exaggerated. "We don't hit people over the head with a lot of paraphernalia," he laughs. "The atmosphere sets the stage, but it doesn't steal it."

* * *

Jeffrey Miller, president of L-K Restaurants, a 55-unit coffee shop chain (average 110 seats) based in Marion, OH, turned to a diner concept when considering ways to modernize the 47-year-old chain. After acquiring the concept last April, Miller decided that a traditional diner would best suit the chain's small-town market. "We wanted to broaden our customer base but didn't want to alienate our predominately older customers," Miller explains. "A diner concept summed up the basic menu we wanted and at the same time allowed us to give the restaurants a brighter look and a certain character that people can identify with."



ONLY 2 PLACES to EAT MEATLOAF...... HERE and AT HOME !
BUY OF THE WEEK

Cost was another factor. Converting the units to diners was a fairly inexpensive proposition because of the original coffee-shop layout. Designers simply raised the original counters; added chrome swivel seats; removed the barriers inside the seating areas to lighten the interior space; changed the roof lines; added neon, black and white tiles; a few Norman Rockwell prints and a jukebox; and presto—a new look, a new concept.

But not too new. Miller didn't want to make the concept too trendy. "Going too far with decor can wear out—especially in small towns—so we made it subtle enough so people would feel comfortable coming back several times a week."

Comfortable does not mean boring, though. Alongside the basic hamsteak and bologna sandwich entrees on the menu are perky remarks like, "If you like the music, great, but please don't sing or dance with the waitresses. They've got work to do."

Miller believes a "fun" personality is a plus. "People seem to increasingly want to have a 'dining experience'—even during lunch," he maintains. "We offer an entertaining environment and can serve as quickly as a fast food place—two to three minutes for blue plate specials and five to seven for regular orders." Competitive prices (the average check is $4.50) and a special children's menu are also geared toward attracting a wide range of repeat customers.

A sophisticated blend

Some of today's diners are not marketing nostalgia or a basic no-nonsense image; instead, they are reinterpreting the old-time diner atmosphere for the sophisticated market of today.

* * *

The Fog City Diner, a 90-seat eatery in San Francisco, CA, is a prime example of the sophisticated blend. "We wanted to create a classic diner that would be the finest diner of the 80s," says Bill Higgins, co-owner of Real Restaurants, a company which operates several other diverse restaurants in California.

To do so, the three owners com-

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THIS PLACE IS
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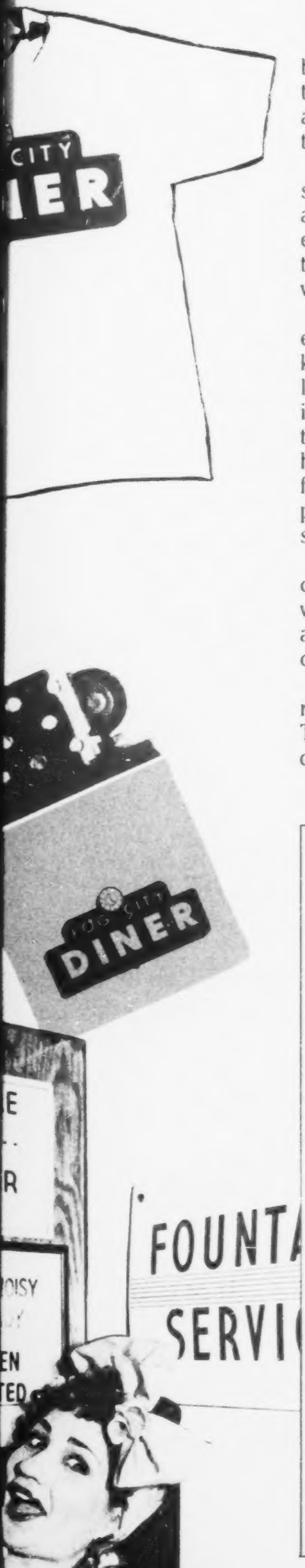
If you have a complaint, talk to the manager. If that doesn't satisfy you, talk to me. If you're still not satisfied, start your own restaurant.



bined the traditional diner elements they knew as children with modern-day architectural touches and current food trends.

The exterior, sheathed in stainless steel, purple-and-blue neon and black-and-white checkerboard tile, undoubtedly says "diner." Above the entrance, there is even a traditional clock face which beams, "Don't worry."

Inside are the first hints that the diner is not straight out of the 50s. In keeping with diner tradition, there is a long counter teeming with activity. But instead of the typical Formica counter top, it has an elegant marble and mahogany bar. The seating includes comfortable diner booths made with richly patterned fabric, a far cry from the standard black vinyl.

The menu, too, reflects a sophisticated blend of today and yesterday, with entrees, such as grilled sausages and polenta with herb butter, alongside chili dogs and black cows.

Even the items with traditional diner roots often have a sophisticated flair. The custard, for instance, isn't like any custard grandma used to fix. Instead, it's a garlic custard with mushrooms, chives and chopped, seasoned walnuts.

A further adaptation to current dining trends is geared toward today's grazing palates: a tempting list of "small plates," such as grilled sesame chicken with shiitake mushrooms, carrots and Chinese mustard. And, as in most fine restaurants of today, there is a discerning wine list with about 30 selections.

Summing up the restaurant's overall effect, Bill Higgins says proudly, "It's not exactly what people would expect, but it is a diner that represents America today."

* * *

Mick's, a three-unit casual diner concept developed by the Peasant Restaurants group in Atlanta, GA, uses updated diner elements, such as bright flashes of blue-and-red neon, patterned tile floors, bullet-shaped lighting fixtures and basic black booth and table treatments to give its establishments atmosphere.

Because the units are in very diverse locations—an old, downtown drug

DINER
Bel-Aire

Moving from the country to the city

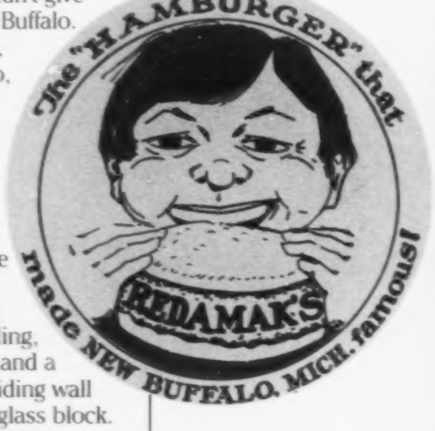
Can a rural roadhouse diner concept be adapted to a slick city environment? Redamak's, a family-owned diner in rustic New Buffalo, MI, is betting its concept is strong enough to make the transition.

After years of serving its signature burgers and fresh walleye pike to locals and summer visitors, Redamak's is taking on the challenge of the Chicago, IL, market. "We wanted to see if the concept would work in an urban market," explains John Drews, general manager, "but we knew we had to adapt."

Although the menu is basically the same at the two units—with sandwiches, fried chicken, shrimp baskets and the hamburgers "that made New Buffalo famous"—there are some differences. For one, hamburger toppings vary. Bacon and Swiss and blue cheeses have been added in Chicago, while basic American cheese remains the favorite in New Buffalo. In addition, spicy buffalo wings and lightly breaded Canadian smelts are a hit in Chicago, but they "couldn't give them away" in New Buffalo.

The decors, too, vary. In New Buffalo, the eatery has a definite downhome look, with cedar siding and redwood picnic tables. In Chicago, however, the atmosphere is more sleekly uptown, with aqua walls, a salmon ceiling, neoclassical pillars and a bright turquoise dividing wall that is topped with glass block.

The adaption is working so well that the company is planning another unit in Nashville, TN.


The "HAMBURGER" that made NEW BUFFALO, MICH. famous!
REDAMAK'S

Be patient. The only way you're gonna be served in two minutes flat is if you come when no one else is here. And then it won't be as much fun.

store, a mall and a suburban space—individualized design touches have been added to ensure each communicates a sophisticated diner image. For instance, at the downtown unit, designer John Oetgen, president of Oetgen Interiors in Atlanta, GA, preserved the original molding, but he added a sky-blue ceiling to create an offbeat, hazy purplish effect. In the wide-open mall location, big, bright-red kiosks not only hold the concept together, but also double as wait stations. And, to make the large, vaulted suburban structure seem warmer, an eight-foot-wide clock face, encircled by a bright neon ring, dominates one wall, and a dessert counter with a neon-lit awning is nestled in a corner.

Even though the units share a common diner atmosphere, however, their locations have necessarily altered their patterns of business. For example, while breakfast is a hot seller at the downtown diner, the suburban store has found that only weekend brunches appeal to its market, while breakfast is not offered at all at the mall unit. All three outlets offer similar lunch and dinner menus, ranging from basic burgers to more gourmet choices, such as grilled seafood.

Familiar but funky

Not all diners are reinterpretations, reconversions or redesigns. There are still some authentic diners serving customers around the clock. But behind some of those gleaming, vintage exteriors lurks yet another category of new diners—the funky, unique and unexpected. Most of these have been created by individuals who truly love diners.

☆☆☆

The Empire Diner, for instance, an 80-seat, circa 1929 diner with a glowing Empire State Building on its roof, has become a New York City landmark. Owner Jack Doenias purchased the structure in 1976 because he liked the architecture and had always thought of diners as "fun." Although the exterior is the real thing, the interior is an unexpected mixture of black-and-white diner decor and modern-day Manhattan. The black glass tabletops are "dinerish," but the white candles on the countertops add a sophisticated sparkle. And sitting where a booth used to be is a piano where a performer provides live entertainment—from jazz to classical—almost every night. The menu, too, has unexpected touches. Omelets are offered, of course, but how many diners of the 30s provided Brie, walnuts and chili as possible ingredients? "We like to have a little fun with the menu and create weird combinations," laughs Doenias. Although the Empire Diner has a definite diner feel, Doenias insists the diner decor is

MICK'S
MICK'S

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The real thing

Although the current trend is to reinterpret the diner, traditional diners are not necessarily history. Located in small towns and urban markets and along highways, basic, no-frills diners continue to fill a need for familiar, hearty and inexpensive fare.

One example is the 51-seat Miss Portland Diner, an original 1940s Worcester diner that has been serving customers in Portland, ME, for almost 40 years. Little has changed at Miss Portland—from its original blue train car exterior, and posted cardboard sign that advertises, "Three large eggs, toast and home fries for $1.55" to the blue-and-white-checked tile floor and no-nonsense waitresses, some of whom have been there for more than 20 years.

The menu, too, has remained downhome. Customers are tempted by daily specials such as smothered beef and onions, mashed potatoes, stewed tomatoes and green beans. Eggs, of course, are still a big seller, and owner Randy Chasse reports he cracks and fries 300 dozen each week.

Why does Miss Portland continue to draw crowds? "We are part of the city," Chasse maintains. We're friendly, warm and relaxed, and customers know they can get anything they want anytime.

"Plus," he adds with a smile, "we're the real thing."

NATIONAL RESTAURANT ASSOCIATION

JANUARY–JUNE

1987 SEMINAR SCHEDULE

EDUCATION PROGRAMS DEPARTMENT

Introduction

1987 promises to be an exciting year in foodservice education, and we are pleased to present our January–June six-month schedule. We are happy to announce the unification of two of the most prominent forces in industry training and education. *Effective January 1, the Education Programs Department of the National Restaurant Association and the National Institute for the Foodservice Industry will join to form the Educational Foundation of the National Restaurant Association.* By pooling our resources, this new entity promises to provide you with an even wider variety of educational offerings and will extend our leadership as the source for quality education and training.

In addition to our seminars, national conferences and video training, we will be offering home study courses and a wider variety from our *Seminars to Go* program.

This six-month schedule provides a brief summary of each of the programs that we offer. We have added two new programs—***Profitability*** which offers all restaurant personnel with cost center accountability a blueprint for improving profits at the unit level; and ***Sanitary Assessment of the Food Environment (S.A.F.E.)*** which teaches methods of making your self-inspection system more meaningful and reliable.

In addition, we have expanded our video training library by introducing our second series of tapes on back-of-the-house training. This series outlines proper procedures for purchasing and receiving; storage and handling; preparation; serving; holding food and sanitation.

For more information, call us toll free at 800/424-5156, or send in the form at the back of this schedule.

Larry Fidel
Education Programs Director

ONE-DAY COURSE

Banquet Management

This new course focuses primarily on the administration of banquet facilities and functions, including presentation, timing, pricing, forecasting and equipment.

2/23	Newark, NJ
4/7	Long Island, NY
4/22	Cincinnati, OH
5/17	Chicago, IL
6/8	Denver, CO
6/22	Burlington, VT
6/24	Toronto, Ontario, Canada

TWO-DAY COURSE

Beverage Management

This comprehensive seminar will help operators reach new markets, develop profitable merchandising programs, improve controls, spot consumer trends and boost wine sales. It also discusses current "Alcoholic Beverage Consciousness" and what it means in today's business environment.

2/3–4	St. Louis, MO
3/30–31	King of Prussia, PA
4/22–23	Bloomington, MN
5/5–6	Annapolis, MD
5/16–17	Chicago, IL
6/29–30	Cleveland, OH

ONE-DAY COURSE

Coping with the Personal Dynamics of Foodservice Management

This program will help attendees understand the sources of stress, characteristic of foodservice operations. It will also focus on how stress affects managers and employees—negatively and positively. Attendees will learn how to reduce and control stress.

3/25	San Antonio, TX
3/26	Dallas, TX
4/8	Detroit, MI
4/9	Milwaukee, WI
5/16	Chicago, IL

ONE-DAY COURSE

Employee Motivation

Attendees will learn how to hire motivated employees from the outset as well as how to use practical incentive programs, team building exercises and employee work groups, to further motivate employees in the operation.

2/9	Charlotte, NC
2/11	Vienna, VA
3/9	Portland, OR
6/2	Detroit, MI
6/4	Milwaukee, WI

ONE-DAY COURSE

Food Cost Management

This seminar presents a new angle from which to examine a foodservice operation and identify the factors behind "lost" money. The instructor has developed a system for use in any size restaurant that allows the operator to track actual food use, and thereby control costs. Attendees will receive all the forms and management tools needed to implement a complete food cost control program in their operations.

1/20	Orlando, FL
2/18	Nashville, TN
3/24	Pittsburgh, PA
4/21	Indianapolis, IN
4/28	Raleigh, NC
5/6	Appleton, WI
5/16	Chicago, IL
6/9	Denver, CO
6/16	Dallas, TX

ONE-DAY COURSE

Foodservice Legal Workshop

This program addresses the current legal issues facing the foodservice operators in their day-to-day decisions. Topics include: liquor liabilities, wage-and-hour issues, immigration laws, employee rights and customer safety and security.

1/27	Birmingham, AL
2/23	Concord, NH
2/25	Cincinnati, OH
3/4	Seattle, WA
4/1	Newport, RI
4/22	Omaha, NE
5/4	Columbia, SC
5/17	Chicago, IL
6/8	San Diego, CA
6/9	Sacramento, CA

ONE-DAY COURSE

Menu Design

This seminar covers all the elements for developing a successful menu—a restaurant's number-one sales and marketing tool. From identifying poor performers and adding new money-making items to designing and laying out an effective menu, this practical program will help you take full advantage of your menu.

3/10	Troy, MI
3/24	Calgary, Alberta, Canada
3/25	Edmonton, Alberta, Canada
4/27	Ft. Collins, CO
4/29	Burlingame, CA
5/17	Chicago, IL
5/27	Burlington, VT
5/29	Buffalo, NY

TWO—DAY COURSE

[illegible]

This seminar covers the many steps involved in funding a new restaurant operation, including evaluating real estate alternatives, estimating capital requirements, determining types and finding sources of funding most appropriate to the new operation.

1/29–30	Atlantic City, NJ
3/19–20	Springfield, VA
5/16–17	Chicago, IL

TWO-DAY COURSE

Off-Premise Catering

This seminar offers a complete guide to the essentials of a catering business, as well as an analysis of the common pitfalls. Focus includes: analyzing the potential market, developing new business, menu development, selecting foodservice style, developing a good cost program, production and handling, on-site staff, current trends and "signature foods."

1/26–27	Houston, TX
2/9–10	Madison, WI
3/2–3	Indianapolis, IN
3/19–20	Denver, CO
4/6–7	St. Louis, MO
5/11–12	Vancouver, B.C., Canada
5/16–17	Chicago, IL

Management

TWO-DAY COURSE

Operational Analysis

This seminar is designed to provide specific, in-depth procedures for examining a restaurant business objectively and comparing that operation to the entire foodservice industry. The course covers both finance and management analysis to help restaurateurs identify the strengths, weakness, and potential of their operation.

1/28–29	Jacksonville, FL
4/27–28	Rochester, NY
5/4–5	Charlotte, NC
5/27–28	Austin, TX

TWO-DAY COURSE

Planning and Implementing Restaurant Marketing Strategy

This is an intensive seminar focusing on the basics of restaurant marketing for increasing profit in the operation by increasing new and repeat customer trade, minimizing the risk involved with expansion as well as anticipating and resolving problems that threaten sales, growth or profits.

3/4–5	Reno, NV
3/24–25	Kansas City, MO
4/21–22	Hartford, CT
5/16–17	Chicago, IL
6/8–9	Denver, CO

ONE-DAY COURSE

Planning Successful Buffets

This seminar, applicable to almost any size foodservice operation, covers the basics of buffet service, with emphasis on creative menu, decor and preparation.

2/17	Lexington, KY
3/2	Colorado Springs, CO
3/23	Tampa, FL
4/6	Baltimore, MD
5/4	Lansing, MI
5/11	Williamsburg, VA

ONE-DAY COURSE

Profitability

This seminar offers all restaurant personnel with cost center accountability a blueprint for improving profits at the unit level. Profitability introduces a variety of practical and innovative operating systems, management techniques and cost control tips that can be immediately implemented in your restaurant.

1/28	Atlanta, GA
3/24	Madison, WI
5/27	Boston, MA
5/28	Washington, DC

TWO-DAY COURSE

Real Estate & Restaurant Site Selection

This program will cover the key principles of selecting sites for foodservice operations, including market structure, customer profiles, the physical features of sites and economic/financial consideration.

2/17–18	Scottsdale, AZ
4/21–22	Hilton Head, SC
5/16–17	Chicago, IL
6/10–11	Atlantic City, NJ

TWO-DAY COURSE

Restaurant Design and Facilities Planning

Restaurant Design was developed to give foodservice executives the background necessary to understand and control their restaurant design projects and avoid costly mistakes. The focus includes: analyzing the feasibility of the project; planning space and equipment according to function and the menu; a workshop on resolving design problems; and working with architects, engineers, consultants, etc. Attendees are invited to bring along plans, blueprints or other project information for individual evaluation by the instructor.

2/10–11	Tampa, FL
3/2–3	Las Vegas, NV
3/25–26	Chicago, IL
4/13–14	Dallas, TX
6/1–2	Toronto, Ontario, Canada
6/23–24	San Francisco, CA

ONE-DAY COURSE

Sanitary Assessment of the Food Environment (S.A.F.E.)

This program teaches ways to make your self-inspection system more meaningful and reliable by applying the theories of *Hazard Analysis* and *Critical Control Points* throughout the preparation process. S.A.F.E. covers the scope of foodborne diseases by showing why "traditional" inspections do not address the major causative factors of foodborne illness.

1/20	Arlington, VA
3/11	Cleveland, OH
5/7	Cherry Hill, NJ
5/16	Chicago, IL
6/8	Boston, MA

ONE-DAY COURSE

Wine and the Bottom Line

This course provides the information necessary to give attendees a complete understanding of the wines they wish to sell. It includes innovative merchandising strategies, training staff to sell wines and wine-pricing systems.

1/27	Toronto, Ontario, Canada
2/25	Stamford, CT
4/7	Portland, ME
5/27	Philadelphia, PA
6/16	Cincinnati, OH

TeamWork

6/8	Banquet Management
6/8	Kitchen Management
6/8–9	Planning and Implementing Restaurant Marketing Strategy
6/9	Food Cost Management
6/9	Increasing Sales: Effective Front-of-the-House Management

Food Production

ONE-DAY COURSE

Perfecting Your Culinary Skills

This seminar combines lecture with demonstration to instruct attendees in cooking techniques that improve their food quality while lowering costs. The fundamentals of cooking discussed include: methods of preparing meats; utilization of leftovers; vegetable cookery; potatoes, rice and pasta; and deep fat frying. Recommended as an introduction for kitchen assistants, line cooks and chefs.

1/27	Atlanta, GA
2/5	Dallas, TX
3/24	St. Paul, MN
4/14	Louisville, KY
5/26	Portland, ME
6/25	Hyde Park, NY
6/30	Indianapolis, IN

ONE-DAY COURSE

Simplified Baking

This seminar illustrates how easily baking can be integrated into the kitchen operation using frozen dough products. Through demonstration, the chef will show attendees how to create signature baked goods with little effort and no special equipment. This program is recommended for product development managers and menu planners, as well as bakers and kitchen managers.

2/10	Ventura, CA
2/12	Sacramento, CA
3/24	Atlantic City, NJ
4/2	Des Moines, IA
4/21	Oklahoma City, OK
5/6	Minneapolis, MN
6/24	Hyde Park, NY

ONE-DAY COURSE

Soups and Sauces

This workshop focuses on items that are inexpensive and easily prepared, yet are distinctive and profitable menu additions. Instruction provides the techniques and principles upon which all soups and sauces are based.

1/22	San Diego, CA
2/16	Denver, CO
3/1	Washington, DC
3/3	Rochester, NY
4/7	Schiller Park, IL
4/8	Cleveland, OH

Basic Foodservice

ONE-DAY COURSE

Dining Room Management

One of our most popular seminars, **Dining Room Management** focuses on the many aspects of front-of-the-house management, including building basic management skills, getting the most from employees and handling problems on the floor. This course is appropriate for all levels—owner/operators, dining room manager/supervisors, waiters and waitresses.

1/20	Pawtucket, RI
2/3	New Orleans, LA
2/18	Rosemont, IL
2/19	Minneapolis, MN
3/19	Boston, MA
4/15	Pittsburgh, PA
4/28	Montgomery, AL
5/11	Lancaster, PA
5/12	Tulsa, OK
5/17	Chicago, IL
6/2	Bethesda, MD
6/10	Omaha, NE
6/22	Spokane, WA
6/23	Portland, OR

ONE-DAY COURSE

Increasing Sales: Effective Front-of-the House Management

Attendees will be able to analyze and assess their present service style in relation to current service trends. Specific opportunities and methods for improving sales in the dining room will be addressed. Attendees will have the opportunity to examine the sequence of service, merchandising techniques, sales incentives, motivation and more.

2/2	Winnipeg, Manitoba, Canada
3/31	Portsmouth, NH
4/2	Newark, NJ
4/26	Boston, MA
5/4	Springfield, VA
5/6	Atlanta, GA
5/17	Chicago, IL
6/9	Denver, CO
6/11	Bloomington, MN
6/15	Dallas, TX
6/29	Honolulu, HI

ONE-DAY COURSE

Kitchen Management

A comprehensive program on the basics of kitchen management, this seminar presents money-saving techniques for improving efficiency and productivity. The focus includes:

- Purchasing and receiving
- Maintaining food quality
- Food cost
- Food production & preparation
- Effective management techniques

1/22	Schaumburg, IL
1/26	Baltimore, MD
3/2	Oak Brook, IL
3/9	Shreveport, LA
4/9	Savannah, GA
4/15	Knoxville, TN
5/5	Worcester, MA
5/6	Concord, NH
5/16	Chicago, IL
5/27	San Jose, CA
5/28	Marin County, CA
6/8	Denver, CO
6/15	Hartford, CT
6/17	Rockville, MD
6/30	Des Moines, IA

ONE-DAY COURSE

People-Power and Profits

Attendees learn to reduce turnover by hiring the right employees in the first place. Concentrate on your personal leadership skills as well as analyze methods for developing and maintaining a motivating work environment.

1/21	Philadelphia, PA
1/29	Cincinnati, OH
3/10	Tucson, AZ
4/9	Richmond, VA
6/15	Orlando, FL

ONE-DAY COURSE

Tools for Training

Tools for Training will help you build a solid employee training program. The techniques presented in this seminar have been thoroughly tested in the dynamics of the foodservice environment. The program focuses on the why's and how-to's of training.

2/25	Seattle, WA
3/19	Los Angeles, CA
3/20	Burlingame, CA
4/13	Virginia Beach, VA
4/14	Rockville, MD
5/16	Chicago, IL

Alabama

1/27	Foodservice Operators' Legal Workshop	Birmingham
4/28	Dining Room Management	Montgomery

Arizona

2/17–18	Real Estate and Restaurant Site Selection	Scottsdale
3/10	People-Power and Profits: Hiring and Managing for Success	Tucson

California

1/18–21	Independent Foodservice Operators' National Conference	San Francisco
1/22	Soups and Sauces	San Diego
2/10	Simplified Baking Workshop	Ventura
2/12	Simplified Baking Workshop	Sacramento
3/19	Tools for Training	Los Angeles
3/20	Tools for Training	Burlingame
4/5–8	Restaurant Development Conference	Los Angeles
4/29	Menus That Sell! Strategies for Menu Development and Design	Burlingame
5/27	Kitchen Management	San Jose
5/28	Kitchen Management	Marin County
6/8	Foodservice Operators' Legal Workshop	San Diego
6/9	Foodservice Operators' Legal Workshop	Sacramento
6/23–24	Restaurant Design & Facilities Planning	San Francisco

Colorado

2/16	Soups & Sauces	Denver
3/2	Planning Successful Buffets	Colorado Springs
3/19–20	Off-Premises Catering	Denver
4/27	Menus that Sell! Strategies for Menu Development and Design	Fort Collins

TeamWork Denver

6/8	Banquet Management	Denver
6/8	Kitchen Management	Denver
6/8–9	Planning and Implementing Restaurant Marketing Strategy	Denver
6/9	Food Cost Management	Denver
6/9	Increasing Sales: Effective Front-of-the-House Management	Denver

Connecticut

2/25	Wine and the Bottom Line	Stamford
4/21–22	Planning and Implementing Restaurant Marketing Strategy	Hartford
6/15	Kitchen Management	Hartford

Seminars by State

District of Columbia

1/20	S.A.F.E.	Arlington, VA
2/11	Employee Motivation: Management Techniques to Build Morale	Vienna, VA
3/1	Soups and Sauces	Washington, DC
3/19–20	Negotiating for, and Financing, Foodservice Facilities	Springfield, VA
4/14	Tools for Training	Rockville, MD
5/4	Increasing Sales: Effective Front-of-the-House Management	Springfield, VA
5/28	Profitability	Washington, DC
6/2	Dining Room Management	Bethesda, MD
6/17	Kitchen Management	Rockville, MD

Florida

1/20	Food Cost Management	Orlando
1/28–29	Operational Analysis	Jacksonville
2/10–11	Restaurant Design and Facilities Planning	Tampa
3/23	Planning Successful Buffets	Tampa
6/15	People-Power and Profits: Hiring and Managing for Success	Orlando

Georgia

1/27	Perfecting Your Culinary Skills	Atlanta
1/28	Profitability	Atlanta
4/9	Kitchen Management	Savannah
5/6	Increasing Sales: Effective Front-of-the-House Management	Atlanta

Hawaii

6/29	Increasing Sales: Effective Front-of-the-House Management	Honolulu

Illinois

1/22	Kitchen Management	Schaumburg
2/18	Dining Room Management	Rosemont
3/2	Kitchen Management	Oak Brook
3/25–26	Restaurant Design and Facilities Planning	Chicago
4/7	Soups and Sauces	Schiller Park

The following seminars will be held at the NRA Show in Chicago, May 16–17:

5/16	S.A.F.E.	Chicago
5/16	Coping with the Personal Demands of Foodservice Management	Chicago
5/16	Kitchen Management	Chicago
5/16	Food Cost Management	Chicago
5/16	Tools for Training	Chicago
5/16–17	Negotiating for, and Financing, Food Service Facilities	Chicago
5/16–17	Off-Premises Catering	Chicago
5/16–17	Planning and Implementing Restaurant Marketing Strategy	Chicago
5/16–17	Real Estate and Restaurant Site Selection	Chicago
5/16–17	Beverage Management	Chicago
5/17	Foodservice Operators' Legal Workshop	Chicago
5/17	Menus That Sell! Strategies for Menu Development and Design	Chicago
5/17	Dining Room Management	Chicago
5/17	Increasing Sales: Effective Front-of-the-House Management	Chicago
5/17	Banquet Management	Chicago

Indiana

3/2–3	Off-Premises Catering	Indianapolis
4/21	Food Cost Management	Indianapolis
6/30	Perfecting Your Culinary Skills	Indianapolis

Iowa

4/2	Simplified Baking Workshop	Des Moines, IA
6/30	Kitchen Management	Des Moines, IA

Kentucky

2/17	Planning Successful Buffets	Lexington
4/14	Perfecting Your Culinary Skills	Louisville

Louisiana

2/3	Dining Room Management	New Orleans
3/9	Kitchen Management	Shreveport

Maine

4/7	Wine and the Bottom Line	Portland
5/26	Perfecting Your Culinary Skills	Portland

Maryland

1/26	Kitchen Management	Baltimore
4/6	Planning Successful Buffets	Baltimore
4/14	Tools for Training	Rockville
5/5–6	Beverage Management	Annapolis
6/2	Dining Room Management	Bethesda
6/17	Kitchen Management	Rockville

Massachusetts

3/19	Dining Room Management	Boston
4/26	Increasing Sales: Effective Front-of-the-House Management	Boston
5/5	Kitchen Management	Worcester
5/27	Profitability	Boston
6/8	S.A.F.E.	Boston

Michigan

3/10	Menus That Sell! Strategies for Menu Development and Design	Troy
4/8	Coping with the Personal Demands of Foodservice Management	Detroit
5/4	Planning Successful Buffets	Lansing
6/2	Employee Motivation: Management Techniques to Build Morale	Detroit

Seminars by State

Minnesota

2/19	Dining Room Management	Minneapolis
3/24	Perfecting Your Culinary Skills	St. Paul
4/22–23	Beverage Management	Bloomington
5/6	Simplified Baking Workshop	Minneapolis
6/11	Increasing Sales: Effective Front-of-the-House Management	Bloomington

Missouri

2/3–4	Beverage Management	St. Louis
3/24–25	Planning and Implementing Restaurant Marketing Strategy	Kansas City
4/6–7	Off-Premises Catering	St. Louis

Nebraska

4/22	Foodservice Operators' Legal Workshop	Omaha
6/10	Dining Room Management	Omaha

Nevada

3/2–3	Restaurant Design and Facilities Planning	Las Vegas
3/4–5	Planning and Implementing Restaurant Marketing Strategy	Reno

New Hampshire

2/23	Foodservice Operators' Legal Workshop	Concord
3/31	Increasing Sales: Effective Front-of-the-House Management	Portsmouth
5/6	Kitchen Management	Concord

New Jersey

1/29–30	Negotiating For, and Financing Foodservice Facilities	Atlantic City
2/23	Banquet Management	Newark
3/24	Simplified Baking Workshop	Atlantic City
4/2	Increasing Sales: Effective Front-of-the-House Management	Newark
5/7	S.A.F.E.	Cherry Hill
6/10–11	Real Estate and Restaurant Site Selection	Atlantic City

New York

3/3	Soups and Sauces	Rochester
4/7	Banquet Management	Long Island
4/27–28	Operational Analysis	Rochester
5/29	Menus That Sell! Strategies for Menu Development and Design	Buffalo
6/24	Simplified Baking Workshop	Hyde Park
6/25	Perfecting Your Culinary Skills	Hyde Park

North Carolina

2/9	Employee Motivation: Management Techniques to Build Morale	Charlotte
4/28	Food Cost Management	Raleigh
5/4–5	Operational Analysis	Charlotte

Ohio

1/29	People-Power and Profits: Hiring and Managing for Success	Cincinnati
2/25	Foodservice Operators' Legal Workshop	Cincinnati
3/11	S.A.F.E.	Cleveland
4/8	Soups and Sauces	Cleveland
4/22	Banquet Management	Cincinnati
6/16	Wine and the Bottom Line	Cincinnati
6/29–30	Beverage Management	Cleveland

Oklahoma

4/21	Simplified Baking Workshop	Oklahoma City
5/12	Dining Room Management	Tulsa

Oregon

3/9	Employee Motivation: Management Techniques to Build Morale	Portland
6/23	Dining Room Management	Portland

Pennsylvania

1/21	People-Power and Profits: Hiring and Managing for Success	Philadelphia
3/24	Food Cost Management	Pittsburgh
3/30–31	Beverage Management	King of Prussia
4/15	Dining Room Management	Pittsburgh
5/11	Dining Room Management	Lancaster
5/27	Wine and the Bottom Line	Philadelphia

Rhode Island

1/20	Dining Room Management	Pawtucket
4/1	Foodservice Operators' Legal Workshop	Newport

South Carolina

4/21–22	Real Estate and Restaurant Site Selection	Hilton Head
5/4	Foodservice Operators' Legal Workshop	Columbia

Tennessee

2/18	Food Cost Management	Nashville
4/15	Kitchen Management	Knoxville

Texas

1/26–27	Off-Premises Catering	Houston
2/5	Perfecting Your Culinary Skills	Dallas
3/8–11	National Conference on Computers in Foodservice	Dallas
3/25	Coping with the Personal Demands of Foodservice Management	San Antonio
3/26	Coping with the Personal Demands of Foodservice Management	Dallas
4/13–14	Restaurant Design and Facilities Planning	Dallas
5/27–28	Operational Analysis	Austin
6/15	Increasing Sales: Effective Front-of-the-House Management	Dallas
6/16	Food Cost Management	Dallas

Seminars by State

Vermont

5/27	Menus That Sell! Strategies for Menu Development and Design	Burlington
6/22	Banquet Management	Burlington

Virginia

1/20	S.A.F.E.	Arlington
2/11	Employee Motivation: Management Techniques to Build Morale	Vienna
3/19–20	Negotiating For, and Financing Foodservice Facilities	Springfield
4/9	People-Power and Profits: Hiring and Managing for Success	Richmond
4/13	Tools for Training	Virginia Beach
5/4	Increasing Sales: Effective Front-of-the-House Management	Springfield
5/11	Planning Successful Buffets	Williamsburg

Washington

2/25	Tools for Training	Seattle
3/4	Foodservice Operators' Legal Workshop	Seattle
6/22	Dining Room Management	Spokane

Wisconsin

2/9–10	Off-Premises Catering	Madison
3/24	Profitability	Madison
4/9	Coping with the Personal Demands of Foodservice Management	Milwaukee
5/6	Food Cost Management	Appleton
6/4	Employee Motivation: Management Techniques to Build Morale	Milwaukee

Canada

1/27	Wine and the Bottom Line	Toronto, Ontario
2/2	Increasing Sales: Effective Front-of-the-House Management	Winnipeg, Manitoba
3/24	Menus That Sell! Strategies for Menu Development and Design	Calgary, Alberta
3/25	Menus That Sell! Strategies for Menu Development and Design	Edmonton, Alberta
5/11–12	Off-Premises Catering	Vancouver, B.C.
6/1–2	Restaurant Design and Facilities Planning	Toronto, Ontario
6/24	Banquet Management	Toronto, Ontario

Seminar Registration

Membership Number Required for Member Rate

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For fast, easy registration call 800/424-5156 (toll free) or 202/638-6100.

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Basic Foodservice Courses

	Member*	Non-Member
(no discount applies)	$125	$155

Food Production Courses

Number of people attending from your organization	Member*	Non-Member
One person	$155	$195
Two or more	$140	$180

Foodservice Management Courses

One-day seminars	Member*	Non-Member
One person	$155	$195
Two or more	$140	$180
Two-day seminars		
One person	$325	$395
Two or more	$285	$355

*National Restaurant Association or co-sponsoring state association. Seminars are generally co-sponsored by the state association in the state where the seminar is being held.

☐ **YES.** Send me information on the following seminars:

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Mail this form to or call National Restaurant Association
800/424-5156 (toll free) or 202/638-6100.

National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

Seminar Information

Continuing education credit—The International Food Service Executives Association (IFSEA), the Dietary Managers Association (DMA), and the American Culinary Federation (ACF) have approved NRA's courses for continuing education credit.

Tax deductible—Your attendance at this National Restaurant Association seminar is tax deductible, according to Treasury Regulation 1.162.5.

Discount for multiple attendance—When two or more attendees register from the same company for selected programs, each will receive a discount off the regular registration fee. Special discounts available for larger groups.

Guarantee—If you are not satisfied that the knowledge gained at the seminar is useful and will help you to do a better job, we will give you a full refund of your entire seminar fee. If you should feel the need to request such a refund, please write within 10 days of your course attendance to Larry Fidel, Education Programs, National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

Conferences

Independent Foodservice Operators National Conference

1/18–21 San Francisco, CA

National Conference on Computers in Foodservice

3/8–11 Dallas, TX

Restaurant Development Conference

4/5–8 Los Angeles, CA

In-House Programs

If you are a small to mid-sized, multiunit operator of restaurants, hotels or fast food outlets, NRA's in-house seminar presentations are ideal for you. "Seminars to Go" is an economical and practical way to motivate your staff by showing you are concerned about their professional growth, not to mention the direct benefits your organization will derive from maintaining a well-trained staff. Certainly one, or perhaps several of NRA's highly respected seminars will meet your training needs. For more information on "Seminars to Go" or on NRA presentations at your conference or conventions, write or call Eddie O'Hare in the Education Programs Department at 800/424-5156 or 202/638-6100.

Video Training

If a picture is worth a thousand words, then each of NRA's training videos is worth an entire shelf of books. NRA's Video Training provides staff-training, immediate employee orientation, basic skills training, consistent training in high turnover jobs, and retraining as necessary. Now available is the Wait Staff Training Series. Specific tape topics are Suggestive Selling, Teamwork and Service. (2 tapes).

The second series of tapes focuses on back-of-the-house training. This series outlines proper procedures for purchasing and receiving, storage and handling; preparation; serving; holding food and sanitation. For more information about Video Training, contact Caren Brinker in the Education Programs Department at 800/424-5156 or 202/638-6100.

Murray, call your mother. . . . Don't let your chauffeur drink. . . . Have a nice day. . . . Don't be a stranger. . . . Don't play with your food.

incidental. He does admit, however, that part of the restaurant's attraction is "the relaxed, democratic atmosphere and the fact that people can have fun without taking out a mortgage."

* * *

Philip Adelman's love for diners actually prompted him to move one from his Ohio hometown and open it as a restaurant in nearby Cincinnati. An authentic 1950s Mountain View diner, the 200-seat Diner on Sycamore appears to be something right out of the past, with its original stainless steel, pink terrazzo floor and black booths. But walk through a door at the end of the diner and the scene changes. There is still a hint of diner decor—flashes of neon, glass block and comfortable booths—but somehow the affect is more glitzy and modern. Turn one more corner and an almost futuristic dining room appears with high tech chairs and carpeted floors.

BE SAFE CLOSE COVER BEFORE STRIKING
THE
Diner
ON SYCAMORE
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Although he has always loved diners, Adelman did not want to simply recreate one. "I thought a basic diner might be too trendy and wouldn't last," explains Adelman. Consequently, he added on the modern-looking rooms to broaden the atmosphere, while still maintaining the diner connection. The menu, which Adelman says is as diverse as a T.G.I. Friday's, goes far beyond a typical diner selection. "The combination of the old and the new has certainly worked very well," says Adelman. "Everyone likes diners, no matter what their background or age, and the authentic diner has been a tremendous draw."

* * *

Another original Mountain View diner, the Flash in the Pan Diner in Danvers, MA, is also not what it seems to be. The arrow-shaped sign out by the highway pointing to the shiny diner often attracts truckers driving by. "They are a little shocked when they see the menu with items like beef tenderloin with Szechuan peppercorns, snow peas and mushrooms," laughs owner Patrick Delanger.

The Flash in the Pan is an upscale restaurant in disguise—an oasis designed not for truckers, but for patrons with a taste for internationally flavored classic dishes.

Delanger bought the diner about two years ago primarily because he liked its small size (seven booths) and thought it would be a perfect vehicle for his first restaurant. (He formerly worked at the Seasons restaurant in Boston.) Also, he had always enjoyed diners and liked the idea of running a gourmet restaurant in a traditional diner setting.

Delanger has kept the interior atmosphere fairly intact. The tables are brown Formica, and electric white tulips ("They're so tacky, they're perfect," he says) convey a definite diner touch. He has added a few subtle, upscale touches, such as linen napkins and fresh cut flowers. Generally, the atmosphere has been an asset. "Customers enjoy it because it's unpretentious and comfortable," says Delanger. He admits that some locals seem reluctant to try the new-era diner—it doesn't mesh with the familiar diner many of them grew up with. Not only does it close early at night, but it does not even open for breakfast or lunch.

But Delanger believes they will come around. Sometimes he can even convince truckers who have inadvertantly stumbled into his restaurant to try a scampi pie appetizer—a puffed pastry with seafood, mushrooms and cream. "It's a hearty dish, and, at $4.95, it is within their price range," reports Delanger.

Will diners last?

As with any trend, there is a danger the market will become oversaturated. There are two schools of thought about the future of the diner. One view, held by restaurateurs such as Melman, is that, "after a few years, only those diners that maintain good food, moderate prices and a fun atmosphere will survive." On the other hand, as Richard Gutman points out, "Diners have always been mini-American landmarks and will always mean something special to the American public." ☐

Viewpoint

Don't Throw Away Your Architectural Treasures

by Chester H. Liebs

Each day businesses across the country (including restaurants) are chucking architectural treasures. And with each toss is a missed opportunity for prestige, goodwill and profit.

One common scenario goes like this. In the late 1920s, a restaurateur, sensing more profits could be gleaned along the highway than on Main Street, built a wayside eatery with a 10-foot-high rendition of a lighthouse mounted on the roof. Such zany devices for attracting motorists' attention were as much a part of the roaring 1920s as Model T Fords and bathtub gin.

As the years passed, the restaurateur resisted the temptation to change the appearance of his business. Finally, he decided to retire and turn the lighthouse over to his son and daughter-in-law. Long frustrated by their father's resistance to change and wishing to make their own mark on the business, the couple commissioned a design/build firm to demolish the lighthouse and cover the building with brown wood shingles. A few months later, the pair drove over to see a new eatery in the next town which they had heard was doing an overflow business. To their surprise, the place was built in the shape of a lighthouse.

The couple had been caught in the dilemma faced by many businesspeople—knowing a lot about dollars and cents, but far too little about history.

A World War II vintage Howard Johnson in Burlington, VT, shortly before conversion to an upscale, yuppie eatery.

This scenario of not recognizing what is valuable until it is gone is acted out countless times each year.

This type of inadvertent divestiture is not confined to the small entrepreneur. The Holiday Inn sign is an excellent case in point. Since Kemmons Wilson founded the chain in 1952, several generations of travelers have become conditioned to associating the image of the company's "Great Sign" (a towering electric lady bearing a pulsating neon torch and skirt of flashing lights) with a clean and "surprise free" place to spend the night. Recently, in an attempt to present a new corporate image for its now diversified hotel holdings, to reduce maintenance costs and to placate highway beautification advocates, the company decided to replace its historic sign with a less imposing design.

Like the move to demolish the lighthouse, this decision came at the very time that the original—which in this case personified the lively, tail-finned architecture of the 1950s—was back in style again. There is still some hope for the "Great Sign" since 300 remain, and some of these will definitely survive, for the company has agreed to donate several to museums.

The legendary orange roofs of Howard Johnsons, however, seem destined for annihilation. Dozens of the white clapboard structures, with their quaint cupolas, have been eliminated at the very time millions of aging baby boomers are looking back with fond childhood memories at succulent hot dogs, fried clams and chocolate-chip ice-cream cones.

Many of the units were approaching 50 years in age and would probably

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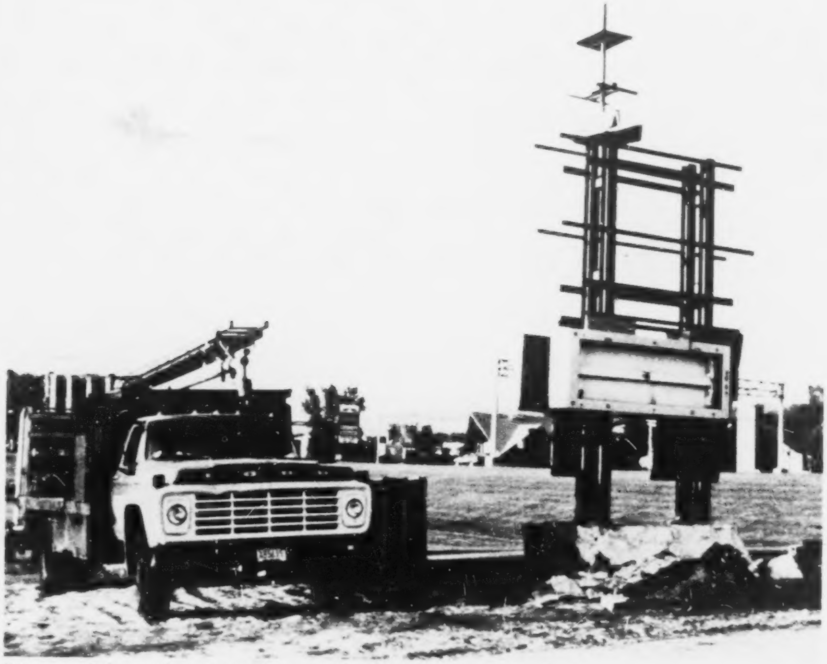
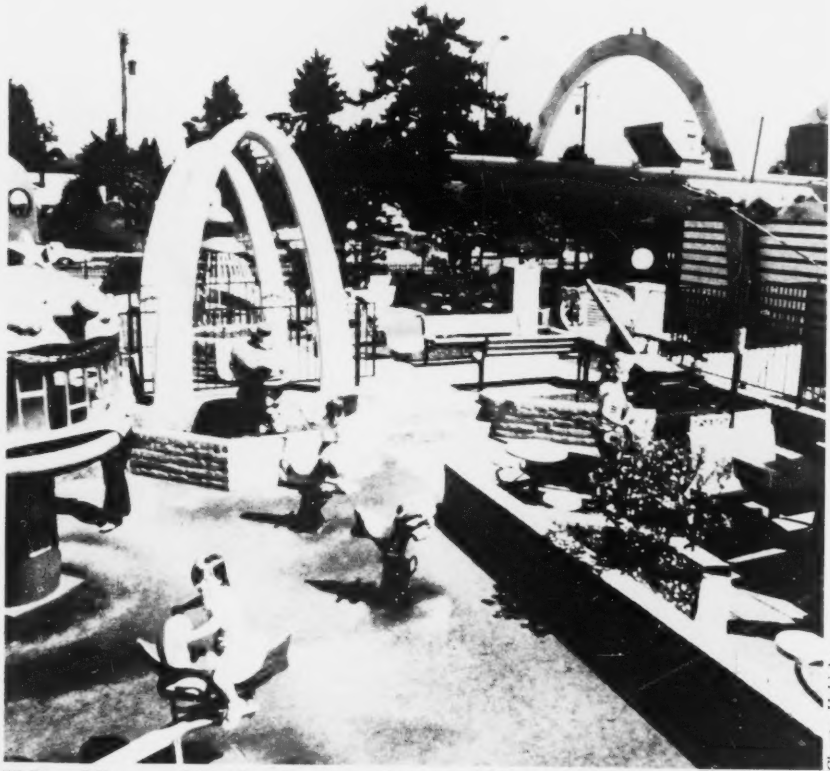
Chester H. Liebs is a professor of history at the University of Vermont and author of Main Street to Miracle Mile: American Roadside Architecture *published by New York Graphic Society/Little, Brown in 1985.*



Vermont's last "Great Sign" recently bit the dust in Rutland.



Chester H. Liebs

McDonald's proved that hamburger palaces could be restored just like fine, old homes when it converted an old unit in Portland to a children's party center.

have qualified for inclusion in the *National Register of Historic Places*. Restoration would also generate tax advantages.

White Castle Systems, which has stuck to its basic hamburger menu since 1921, illustrates how foodservice operations can keep up with the times and still remain sensitive to history. Over the past several years, the company has been selling some of its older castles with the proviso that their exterior features—porcelain panels and crenelated battlements—be preserved. For example, in 1979, the company sold a 1927 vintage castle, with a preservation covenant running with the deed, to a real estate company to use for its offices. Just recently, under a similar arrangement, a 60-year-old unit in Minneapolis, MN, was restored and adapted for use as the headquarters of a public relations firm.

This technique of preserving the historic appearance of a structure while converting the interior for new purposes, called adaptive use, has been successfully employed to save hundreds of commercial buildings along the nation's back streets. White Castle has effectively demonstrated that 20th century historic hamburger palaces can be "adaptively used" as well.

McDonald's has taken the concept of historic preservation one step further. Probably the giant restaurant chains' greatest contribution to protecting heritage assets is located in a quiet suburb of Portland, OR. Here, McDonald's has built a new restaurant behind one of its early red-and-white stands and has turned the latter into a children's party center replete with an icon of Ronald McDonald.

Keeping a building as close to its original state as possible, as McDonald's has done in Portland, is probably the best and cheapest way for a company to preserve its historic properties. A good way for a company to begin is to take stock of its own heritage inventory. Then, before setting any drastic policies relating to changing its appearance, the company's prudent chief would do well to examine this list to see what treasures from the past may be dusted off and spruced up to help shape the company's future—all the time remembering that sage bit of George Burnsian humor, "If you live long enough, you're new again." ❑

In House Baking B

by David Slater

When Richard Vincent and Ben Edwards opened the Traffic Jam and Snug in Detroit, MI, in 1965, their restaurant was essentially a college bar that served sandwiches. Ten years later, after becoming increasingly dissatisfied with the bread they were offered from outside bakeries, Vincent and Edwards decided to attempt their own baking. Today, the Traffic Jam and Snug (220 seats) is one of Detroit's most successful fullservice restaurants, known for innovative homemade breads and desserts.

A striking number of independent operators, who previously purchased baked items from an outside source, are discovering—just as Vincent and Edwards did—the benefits of converting to in-house baking. Large chains are also finding that a conversion to in-house baking is well worth their time and effort. Their baked selections are usually more limited than those offered by independent operations, and they often prefer mixes or frozen doughs to scratch baking. Nonetheless, they, too, are discovering that freshly baked items can enhance the dining experience by making their products seem customized.

Why make the switch?

Operators vary in their level of involvement with in-house baking and in their reasons for making the switch. Presenting customers with a quality product, however, is almost universally the top consideration. Dave Wachtel, president of O'Charley's in Nashville, TN (seven units), is one operator who decided to bake his own breads and desserts to control the quality of his products.

"Outside bakeries," explains Wachtel, "can never understand the level of quality you want. They'll follow your recipe for a while, but then they'll cut back and try to save some money. To me, quality is more important than price."

Enhanced quality was also the primary motivation behind Subway's franchise-wide shift to in-house baking. Product uniformity and cost efficiency were other considerations.

According to Liz DeLuca, operations assistant, many Subway operators in states such as Missouri, Oklahoma, Arizona and Texas had difficulty finding quality sandwich rolls. When they could find the rolls, they paid more for the products than did their counterparts in the Northeast.

Subway decided to solve the problem by requiring all franchises to bake their own rolls. Some franchise owners, especially those who can readily find good sub rolls, are resisting the

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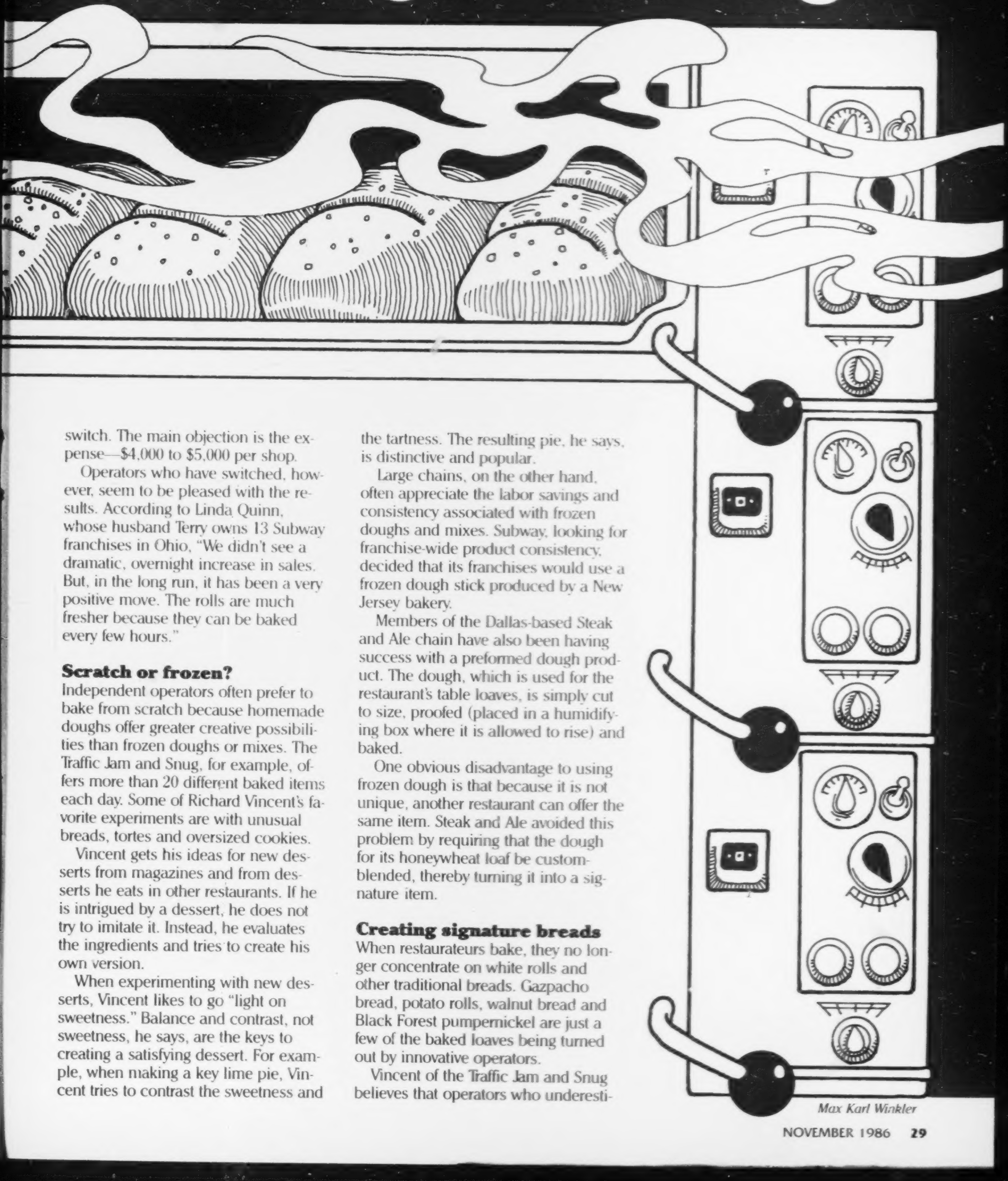
David Slater is a communications specialist for the National Restaurant Association.

rings In The Dough



Max Karl Winkler

switch. The main objection is the expense—$4,000 to $5,000 per shop.

Operators who have switched, however, seem to be pleased with the results. According to Linda Quinn, whose husband Terry owns 13 Subway franchises in Ohio, "We didn't see a dramatic, overnight increase in sales. But, in the long run, it has been a very positive move. The rolls are much fresher because they can be baked every few hours."

Scratch or frozen?

Independent operators often prefer to bake from scratch because homemade doughs offer greater creative possibilities than frozen doughs or mixes. The Traffic Jam and Snug, for example, offers more than 20 different baked items each day. Some of Richard Vincent's favorite experiments are with unusual breads, tortes and oversized cookies.

Vincent gets his ideas for new desserts from magazines and from desserts he eats in other restaurants. If he is intrigued by a dessert, he does not try to imitate it. Instead, he evaluates the ingredients and tries to create his own version.

When experimenting with new desserts, Vincent likes to go "light on sweetness." Balance and contrast, not sweetness, he says, are the keys to creating a satisfying dessert. For example, when making a key lime pie, Vincent tries to contrast the sweetness and the tartness. The resulting pie, he says, is distinctive and popular.

Large chains, on the other hand, often appreciate the labor savings and consistency associated with frozen doughs and mixes. Subway, looking for franchise-wide product consistency, decided that its franchises would use a frozen dough stick produced by a New Jersey bakery.

Members of the Dallas-based Steak and Ale chain have also been having success with a preformed dough product. The dough, which is used for the restaurant's table loaves, is simply cut to size, proofed (placed in a humidifying box where it is allowed to rise) and baked.

One obvious disadvantage to using frozen dough is that because it is not unique, another restaurant can offer the same item. Steak and Ale avoided this problem by requiring that the dough for its honeywheat loaf be custom-blended, thereby turning it into a signature item.

Creating signature breads

When restaurateurs bake, they no longer concentrate on white rolls and other traditional breads. Gazpacho bread, potato rolls, walnut bread and Black Forest pumpernickel are just a few of the baked loaves being turned out by innovative operators.

Vincent of the Traffic Jam and Snug believes that operators who underesti-

mate the importance of fresh bread are making a mistake. "The smallest detail in a restaurant," he says, "can be the most important. People notice if your bread is homemade."

Each day Vincent serves a different selection of breads chosen from the dozens in his book. Many begin with a sourdough starter base that he worked long and hard to perfect.

Some restaurants prefer to offer their house breads in breadbaskets that are brought to each table. When the renovated Mayflower Hotel in Washington, DC, checks its comment cards each week, it finds that a majority carry rave reviews about the new, complimentary breadbaskets. The baskets, served in the Promenade Cafe, contain fresh whole wheat rolls, sourdough rolls, pumpernickel rolls, banana nut bread, and snackbread.

The White Horse Inn in Madison, WI, also brings a complimentary breadbasket to each table. Each basket includes the restaurant's signature French bread along with two or three selected sweet breads that are usually made by adding different fillings to a basic bread recipe. The flavors include pina colada, chocolate chip mint, strawberry, almond and blueberry lemon.

Making the switch

For independent operators, the move to in-house baking does not have to involve a large initial investment. When the owners of the Traffic Jam and Snug decided to bake their own bread, they had a minimum of equipment and knew nothing about baking. Vincent's partner, Ben Edwards, taught himself to bake from a book. "Then," says Vincent, "we figured if we could bake breads, we could bake desserts. We bought a used rotary oven and proofer, and that was the beginning of our evolution into a full-fledged restaurant."

Today, the Traffic Jam and Snug employs a chef and a baker as well as a baker's assistant two days a week. The obvious advantage to making their own baked goods led the owners to make their own cheeses and sausages, and soon they hope to brew their own beer.

Brian Bostian, kitchen manager of the White Horse Inn, says that the inn also made the transition to in-house baking easily. When the owners de-

THE MAYFLOWER BANANA NUT BREAD

Yield: 14 loaves

Ingredients:

4 lbs. butter
8 lbs. 4 oz. granulated sugar
36 eggs
8 lbs. bananas
2 lbs. cake flour
4 lbs. bread flour
2 oz. baking soda
1 oz. salt
4 lbs. sour cream
2 lbs. chopped pecans
1 oz. vanilla

Method:

Mix sugar and butter together in a big bowl with a paddle. Add eggs slowly. Add bananas, vanilla and sour cream. Mix. Add remaining ingredients. Mix. Spray pans heavily with pan grease. Bake at 350°F for 35 minutes.

—The Mayflower Hotel

PEPPERONCINI CORN BREAD

Yield: 20 one-pound loaves

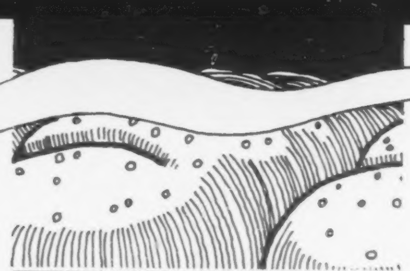
Ingredients:

8 oz. yeast
6 lbs. water
12 lbs. clear flour
1 lb. 12 oz. white rye flour
2 lbs. yellow corn meal
11 oz. nonfat milk powder
11 oz. granulated sugar
3 oz. salt
11 oz. vegetable oil
3 lbs. drained, stemmed and chopped pepperoncini peppers

Method:

Dissolve yeast with water in mixing bowl. Add remaining ingredients and mix on medium speed until smooth (4 to 6 minutes). Allow full rise. Punch down and scale dough into 18-ounce portions. Allow ¾ proof. Bake for 45 minutes at 350°F.

—The Traffic Jam and Snug



"I'm proud of our dinner loaf, and when I tell customers that it's fresh out of the oven, they're really impressed. They seem to enjoy it more."

cided to bake their own breads a few years ago, the only equipment they needed to add was a proofbox. Instead of hiring additional staff, workers were retrained. When the breads became a popular signature item, however, the inn decided to add a bread waiter, who serves breadbaskets throughout the night and at Sunday brunch.

Showing off the product

Other restaurants recommend using a bread waiter to show off homemade baked goods. Ray Masters, general manager of Steak and Ale in Denver, says a tableside presentation of fresh bread is extremely effective. In fact, he likes to present the bread himself when he has the time. "I'm proud of our dinner loaf," he says, "and when I tell customers that it's fresh out of the oven, they're really impressed. They seem to enjoy it more."

To let their customers know that their sub rolls are baked in-house, Subway operators have positioned their ovens directly behind the counter, in view of the public. In addition to watching the loaves brown, the shop's customers enjoy the inviting aroma.

Customer reactions

Operators who have made the switch to in-house baking all agree that the move has given them a definite competitive edge. Harvey Torain, who has been baking on the premises at his Washington, DC, Subway shop since March 1985, says, "People definitely prefer the fresh baked rolls. A lot have said they stopped going to other shops because they like my rolls so much."

Wachtel, too, feels that baking his own desserts has given him a leg up on his Nashville competition. "Two dollars for a piece of pie is a lot in Nashville, TN," says the president of O'Charley's. "But people will forget about price if the product is good."

The Traffic Jam and Snug's creative desserts have proved to be an even greater success. Vincent says customers often telephone to check on the day's sweet offerings. In addition, the owners have been obliged to offer a "key lime hot-line"—three or four customers who are called each time their favorite pie is baked. Both Vincent and Wachtel have noticed that customers will skimp on their meals to save room for one of their desserts.

Bakeries as a profit center

Many restaurateurs who have switched to in-house baking agree that an in-house bakery is less likely to be a profit center than a point of distinction for a restaurant. Still, some operators have found that bakeries can provide the added bonus of lowered food costs.

Bill Schoenleb, director of research and development at Steak and Ale, finds the switch to in-house baking to be worth the expense in every way. "It's no secret that it gives you a better product," he says. "And we've also lowered our expenses." The cost of the restaurant's honeywheat loaf has dropped from around 20 cents per loaf to eight cents per loaf.

When Wachtel decided to make the switch, "Quality was my main consideration, not price." But despite O'Charley's minimal profit on its homemade desserts, "the bakery has paid for itself because the price of our bread has been lowered from 22 cents per loaf to eight cents per loaf," says Wachtel.

Creative in-house bakers can also lower food costs through the creative use of leftovers. At the White Horse Inn, leftover French bread is used for croutons, and fruit and nut breads are used for bread pudding.

At the Traffic Jam and Snug, breads are made from leftover desserts, and leftover breads are turned into one of the restaurant's most popular items, a catch-all Vincent calls his "kitchen sink bread pudding." Vincent serves his warm bread pudding a la mode, studded with chocolate chips and rum-soaked raisins.

Other ways to profit

Some restaurants make a profit from their baked goods by selling breads at an on-site retail counter. The recent success of bakery specialty shops, such as T.J. Cinnamons, Marie Callender's Pie Shops and La Petite Boulangerie, demonstrates that there is a growing market for take-out baked items.

"The bakery has paid for itself because the price of our bread has been lowered from 22 cents per loaf to eight cents per loaf."

The majority of fullservice operators who have made the switch to in-house baking, however, are simply too busy to promote a retail business. The Traffic Jam, for example, has a small retail bakery and does a bit of walk-in trade. But, like the others, Vincent says that he offers his retail goods primarily as a convenience to his customers.

The Chianti Restaurant in Los Angeles, CA, has found a novel way to make extra income from its bakery. It rents the bakery to private parties during off-hours.

Three years ago, the elegant Chianti remodeled and created the Cuchina, an informal trattoria with an open kitchen. Chianti's original back kitchen was turned into a bakery where the restaurant's fresh breads, pastries and pastas could be prepared.

Today, the restaurant certainly gets its money's worth out of the bakery. At night, the bakery is used to bake rolls and breads, including *grissini*—popular, crispy breadsticks. In the morning, pastries and pastas are prepared. During off-hours, between five and 11 p.m., the space is made available to private parties.

The parties, which range in size from 10 to 20 people, dine at the 15-foot marble bakery table among bags of flour and polished chrome fixtures.

A point of distinction

In-house bakeries provide operators with a tremendous opportunity to create a point of distinction in their restaurant. As Brian Bostian of the White Horse Inn says, "I know the switch was worth it because every time I walk around, people ask me, 'Where's the bread waiter?'" ☐

Trish Crowe

Hot Trend Right Off the Grill

by Claire Regan

"Why do I grill?" echoes Chicago restaurateur Michael Foley. "Because there's a demand for it." Foley's sentiment is shared by operators across the nation who feature grilled foods—foods cooked over an open flame. They claim to be busier now than ever before.

The results of the National Restaurant Association's 1986 study *Consumer Preferences for New Restaurant Concepts* bear out this claim. Interest in restaurants specializing in barbecue and mesquite grilling grew by nine and six percentage points, respectively, between 1985 and 1986.

Grilling is one of the oldest methods of cooking. Some chefs claim it is the simplicity and familiarity with the method that are so attractive to diners, while others feel it adds an excitement that other presentations lack. Whatever the reason for its attraction, most restaurant owners cannot argue with the advantages of grilling. In fact, chefs of the 1980s have added their own attractive innovations to grilled foods. Grilled menu selections go far beyond the steak and chicken of the 1950s. It is not surprising to see grilled foods featured as appetizers, side vegetables and even desserts.

The pros of grilling

Vince MacDonald, owner of Vincenzo, a 90-seat, Italian seafood restaurant in Washington, DC, highlights the pros of grilling. "There are no pans, the grills are easy to clean, people like it and it sells itself," he says. MacDonald also adds that since grilling is the major cooking method in Italian seafood restaurants, it adds authenticity to his operation.

Robert Del Grande, owner of Cafe Annie, an 80-seat, fine dining restaurant in Houston, TX, maintains that grilling is good training for chefs. More than 60 percent of his menu features grilled foods. "When oven roasting, the chef puts the meat in the oven and takes it out when it is done. Grilling is a visual process which forces the cook to be more in tune, to realize that a steak grills differently than a chicken or a squab. It is a good tool for learning what cooking is all about," he explains.

Grilling is also labor saving, points out Jasper White of Restaurant Jasper, an 80-seat, fine dining restaurant in Boston, MA. "It is labor efficient to the point that some of the southern Californian grills can produce 300 dinners with only three cooks." White doesn't hesitate to point out another advantage of grilling. "Grilled foods lend themselves to low-calorie treatment. They don't demand sauces and lots of extra oil. But," he adds, "they do raise some health concerns because of their possible association with cancer."

Although the evidence linking grilled foods with cancer is weak, nutritionists do recommend that grilled foods be eaten in moderation. Luise Light, nutritionist at the National Cancer Institute, recommends that care be taken when grilling. "Try not to scorch or char meat

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Claire Regan, R.D., is research manager, nutritionist for the National Restaurant Association.

on the grill. Be cautious by cooking over a lower flame, further from the coals, or precooking and using the grill just to finish cooking," she says.

Not a comfortable technique

Another disadvantage is that grilling generates considerable heat. "It's hot as heck cooking over the grill, and it generally takes two to three days to acclimate. Plus, meat throws a lot of smoke while it is grilling, which adds to the discomfort," points out Vince MacDonald.

The cost of fuel, either wood or charcoal, can also be a disadvantage to grilling. Some operators spend up to $1,000 a month on charcoal, and in some regions the cost of wood skyrockets during the winter. Plus, certain areas of the country have very strict fire regulations which require elaborate ventilation or sprinkling systems when cooking over an open flame. "The regulations are governed by local fire codes," explains Robert Harrington, National Restaurant Association's assistant director of technical services. "So it's best to check with local fire and building departments for specifics." Harrington also recommends talking with an insurance agent before installing an open-flame grill, especially if it is going to be in the dining area.

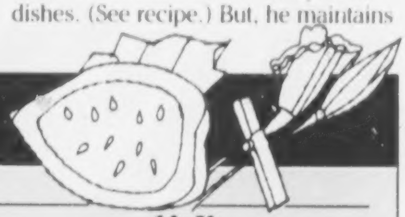
For more than just meats

But these disadvantages are not enough to deter usage. In fact, the grilling trend is expanding. Robert Del Grande makes full use of the flame, which, he says, "stems from my days as a young camper when lighting the fire was the major daily trauma." He uses the initial blaze to sear peppers, to blister tomatoes for sauce and even to brown soup bones. As the flame reduces to hot coals, it is perfect for meat and fish. And when the fire is very low, he uses it for desserts, grilled appetizers and breads.

James Mills, chef at The American Rotisserie, a 120-seat, fine dining operation in St. Louis, Missouri's Omni International Hotel, also uses grilling on several parts of his menu. He points out that his best appetizers are grilled. One favorite is the *American Sampler.* "It's grilled lamb sausage arranged on a plate with three ears of grilled baby corn and California goat cheese, wrapped in a blanched lettuce leaf and grilled," he explains. "We serve it with extra virgin olive oil and sauteed pistachio nuts."

Vegetables also lend themselves especially well to grilling. Jeremiah Tower, chef and co-owner of Santa Fe Bar & Grill (Berkeley, CA; 130 seats) and Stars (San Francisco, CA; 150 seats), has perfected the technique and has won national acclaim for many of his dishes. (See recipe.) But, he maintains

GRILLED VEGETABLE SALAD WITH TEXAS HAM



Serves 4

There are as many versions of this vegetable dish as there are vegetables—or almost as many, since I would never grill members of the cabbage family such as broccoli or cauliflower. But peppers, squash, endive, onions and root vegetables take on a new dimension when they are cooked, marinated in olive oil and herbs and lightly grilled. They are best lukewarm or at room temperature, and they should not be refrigerated after they are grilled or they lose the light smoky flavor. If you do not have Texas ham, use prosciutto or any country ham.

Ingredients:

4 small zucchini, cut lengthwise into quarters
4 small summer squash, cut lengthwise into quarters
4 small scallopini squash, halved
8 scallions, trimmed
4 Japanese eggplants
4 red bell peppers
4 yellow bell peppers
½ cup olive oil
salt and freshly ground pepper
2 Tbs. fresh thyme or marjoram leaves, finely chopped
½ lb. Texas ham, very thinly sliced
1 cup aioli (See accompanying recipe.)

Method:

Cook the squash in salted, boiling water for 5 minutes. Remove and plunge them into ice water for 2 minutes to stop the cooking. Drain them well. Do the same with the scallions, cooking them for only 2 minutes.

Heat the oven to 350°F.

Rub the eggplants and peppers with a little olive oil. Season and put them in a roasting pan. Bake covered until tender, about 20 minutes. Remove from the oven and take out the eggplants, leaving the peppers covered in the pan to cool down. When the eggplants are cool, remove the stem ends and cut each one lengthwise into quarters.

Uncover the peppers and peel, discarding all seeds and stems. Cut them into quarters. Mix the remaining olive oil and the thyme together. Put all the vegetables together and pour the mixture over. Toss very gently and marinate for one hour.

Start a charcoal fire.

Season the vegetables and grill them over a moderate fire for 5 to 10 minutes. Place the ham on plates and put the vegetables on the ham. Drizzle some of the aioli over the vegetables and serve the rest separately.

Aioli

Makes 2½ cups

Ingredients:

4 cloves garlic, peeled
2 egg yolks
¼ cup fresh white bread crumbs
½ tspn. salt
4 Tbs. fish or chicken stock, depending on final use
2 cups olive oil

Method:

Work the garlic, egg yolks, bread crumbs, salt and a little stock in a mortar or food processor to a paste. When the paste is smooth, start adding the oil slowly, working it all the time. Add as much oil as it will take without breaking; then, add stock to thin it to the right consistency.

*—Jeremiah Tower**
New American Classics

**In his new, illustrated cookbook* New American Classics *(1986, Harper & Row), Jeremiah Tower features nearly two dozen recipes for grilling from "Grilled Goat Cheese in Leaves" to "Mushroom Caps with Bone Marrow." He also includes purees, chutneys, relishes and sauces as well as foods for every course.*

that the method is quite straightforward. "I simply blanch the vegetables, pat them with olive oil and chopped fresh herbs and put them on the grill for a second. Their color and freshness appeal to people; they're a big success." Tower says that among his popular luncheon dishes is the combination of grilled eggplant, zucchini and roasted, peeled peppers served with a sauce of ancho chile paste and mayonnaise.

Flavor enhancers

Although many grilled items do not require a sauce accompaniment, simple sauces often add the finishing touch to a grilled meat or fish. Robert Del Grande warns about inappropriate use of sauces. "Cream sauces don't go well with grilled foods, they taste bitter because of the charring. You have to be concerned about marrying the technique (grilling) with the flavor of the sauce." Del Grande recommends aromatic butters; thickened, emulsified butters; relishes and salsas as ideal finishes for grilled meats, fish and poultry.

Other operators focus on the source of fuel as a flavor enhancer. Wood, charcoal and gas are the most common sources, but different types of woods are most often used to achieve subtle variances in flavors.

When Mustards Grill, an 85-seat restaurant in Napa, CA, opened in 1983, it used mesquite wood for its grill—then a much touted choice. Soon it switched to a combination of grapevine cuttings and white oak and apple woods. "Mesquite wood is forgiving because it sears, but it's hard to control," says Kevin Cronin, partner and general manager. "I have more control over other woods. They're more flexible and less expensive than mesquite, and they're flavorful."

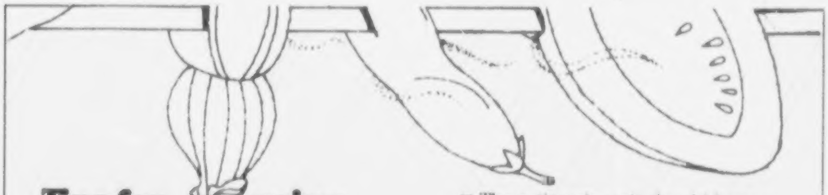
Cronin maintains, however, that smoking in combination with grilling is the key to his flavorful product. "I'll marinate a meat for 24 hours, smoke it and grill to finish it off. That's the key," Cronin boasts. Although few operators do their own smoking, Cronin does his on the premises, usually beginning by 6:30 in the morning. "My hot smoker doubles as a wood stove, and it adds a distinct flavor, while partially cooking the food. But, I am also building a cold smoker which is better for fish; it reduces the dryness and flakiness caused by the hot smoker," Cronin explains.

Rick Wilson, chef and co-owner of Albert's Exceptional Dining (130 seats; Columbia, TN), prefers charcoal grilling. He uses a briquet produced by the Jack Daniels's distillery located in neighboring Lynchburg, TN. "I've tested Jack Daniels's charcoal during my catering events, and they're excellent. The briquets, which contain chips from the barrels used to distill whiskey, add a unique dimension," Wilson relates.

Also gaining popularity is the addition of aromatic leaves and branches to the coals. "This method has been well received for the subtle flavor it produces," says Michael Foley. "But, it can be expensive. The longevity of dried fennel or rosemary branches is short, only minutes. I normally reserve it for whole, roasted items, like lamb legs or, I stud fish flesh with it."

Grilling: another station in the kitchen

"Grilling is becoming integrated into the American style of cooking," concludes Foley. "In the beginning, there were restaurants built around the concept. Grilling will continue to be important, especially in volume operations. I see it ending up as another station in the kitchen, rather than the only station." ☐



Tips for using a charcoal grill

Superb grilled food begins with the use of good equipment. When contemplating adding a grill to your food operation, be sure that you are aware of the problems it may present, and that you have selected a grill with features that best suit the needs of your operation.

Features to consider

☐ The firebox walls and hearth should be lined with firebrick (similar to a fireplace) and insulated.

☐ The grate must be heavy enough to withstand the heat without melting or warping and should be removable for access to the ash pit.

☐ The grill should have adjustable, sectional grates for different products; a narrowly spaced grill is available for fish.

☐ The grill should have hard-chrome plating to decrease sticking.

☐ The ventilation system should have a delay shutoff timer to allow two hours cool-down after the broiler is shut down for the night. This may be a code requirement.

☐ The ash drawer should be removable and have a dump hole from the ash pit.

☐ The rotisserie unit should have a motor and spits.

The grill should have a closure hood for "smoking;" particularly applicable for broiling beef.

Limitations to keep in mind

The charcoal grill process does require some special handling.

☐ **Ash disposal.** At the end of the day, the live ashes must be disposed of in a fireproof container or drowned thoroughly. Many dumpsters and even some kitchens have been damaged due to carelessness.

☐ **Ventilation.** Live coals give off floating ash which clogs filters and combines with grease to cake in hoods and ducts. A cold-water mist, hot-water wash or grease extractor is the best ventilator for this application. Some codes may require a separate ventilation system.

☐ **Fire protection.** A dry chemical surface fire extinguishing system is *not* adequate. Wet chemical or water fog systems are the only reasonable choices.

☐ **Staff training.** With the intense heat imparted by hardwoods, such as mesquite, cooking times and methods need to be adjusted as the staff learns to control the 1500°F grill.

—*Food Design Workshop Newsletter*

Association presidents promote "Ours Is a Special World"

National Restaurant Association President G. "Jim" Hasslocher and Past Presidents Walter Conti (chairman, Gold and Silver Plate Society), John Dankos (chairman, National Restaurant Association/American Culinary Federation U.S. Culinary Team Foundation) and Thad Eure, Jr. (president, National Institute for the Foodservice Industry) have joined forces with the heads of 11 other trade associations to launch a nationwide employee promotion entitled "America's Hospitality Industry—Ours Is a Special World."

The program celebrates the hospitality industry employee. "By building pride among our employees, we brighten the prospect of employment in our industry for potential employees," Hasslocher said.

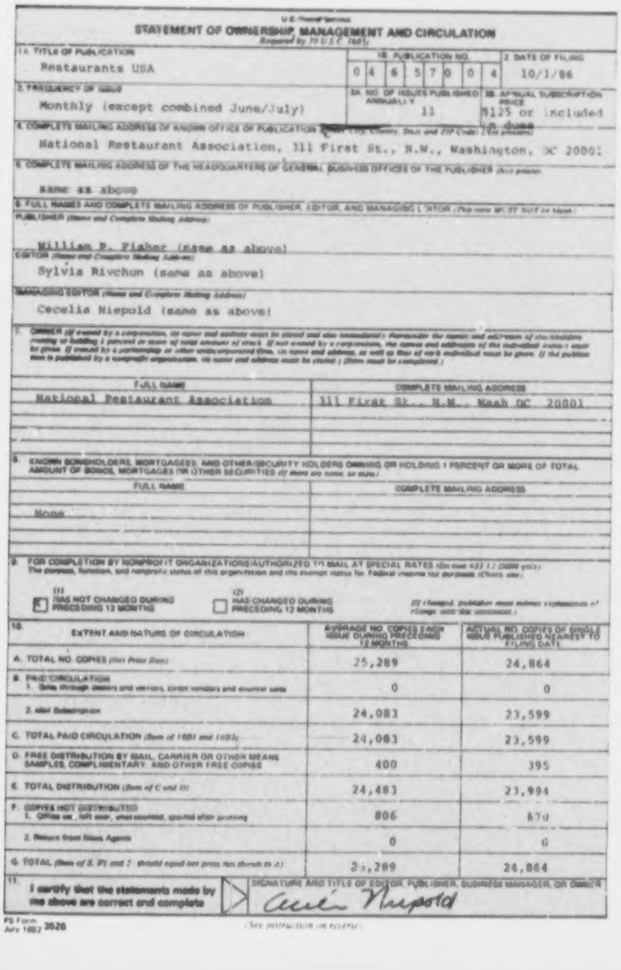
"Ours Is a Special World" previewed at an October 17 press conference at New York City's Waldorf-Astoria Hotel. In attendance were 80 members of the trade and consumer media, key industry officials and Thomas E. Hill, regional administrator of the U.S. Department of Labor's (DOL's) Employment and Training Administration.

From left to right, Association Past President Thad Eure, Jr., current president of the National Institute for the Foodservice Industry; Hank Cockerill, Cockerill and Associates; Association President G. "Jim" Hasslocher and Richard Hauer, executive director of NIFI, help launch "America's Hospitality Industry—Ours Is a Special World."

Described as the largest effort ever undertaken by the service segment of the economy, "Ours Is a Special World" extends to 68,000 businesses nationwide. The program, which enhances the image of hospitality industry personnel, will be introduced in hotels, restaurants and allied supplier companies this fall.

Commenting on the hospitality industry's latest effort, DOL's Hill said, "This is a unique effort by the hospitality industry as a whole, and we in the Department of Labor applaud it and wish it every success. . . . Its accomplishments could very well serve as a model for future efforts by other industries to address their labor shortage problems."

For a list of sponsors, see page 8.



U.S. Postal Service

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Required by 39 U.S.C. 3685

1A. TITLE OF PUBLICATION Restaurants USA	1B. PUBLICATION NO. 0 4 6 5 7 0 0 4	2. DATE OF FILING 10/1/86
3. FREQUENCY OF ISSUE Monthly (except combined June/July)	3A. NO. OF ISSUES PUBLISHED ANNUALLY 11	3B. ANNUAL SUBSCRIPTION PRICE $125 or included in dues

4. COMPLETE MAILING ADDRESS OF KNOWN OFFICE OF PUBLICATION (Street, City, County, State and ZIP Code) (Not printers)
National Restaurant Association, 311 First St., N.W., Washington, DC 20001

5. COMPLETE MAILING ADDRESS OF THE HEADQUARTERS OF GENERAL BUSINESS OFFICES OF THE PUBLISHER (Not printer)
same as above

6. FULL NAMES AND COMPLETE MAILING ADDRESS OF PUBLISHER, EDITOR, AND MANAGING EDITOR (This item MUST NOT be blank)

PUBLISHER (Name and Complete Mailing Address)
William P. Fisher (same as above)

EDITOR (Name and Complete Mailing Address)
Sylvia Rivchun (same as above)

MANAGING EDITOR (Name and Complete Mailing Address)
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7. OWNER [illegible]

FULL NAME	COMPLETE MAILING ADDRESS
National Restaurant Association	311 First St., N.W., Wash DC 20001

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Videotaped "Perspectives" carry association's view to the consumers

The National Restaurant Association is producing a series of 90-second "Perspectives," videotaped messages on key foodservice issues. They air on "Nation's Business Today," the live, two-hour, daily newscast of the Chamber of Commerce networked on ESPN to 800,000 people each morning.

"Perspectives" feature the association's president, G. "Jim" Hasslocher (Frontier Enterprises, San Antonio, TX), and other elected association officers speaking out on topics ranging from product and service liability to fast food labeling.

The most recent "Perspective" featured Vice President Michael J. Grisanti (Grisanti, Inc., Louisville, KY) on drunk driving. Reporting on the findings of a national drunk driving conference, which demonstrated that 50 to 75 percent of all drunk drivers are problem drinkers or alcoholics, Grisanti said, "There is no simple answer to drunk driving. Our legislatures have passed a lot of quick-fix laws during the past few years, but they have not resolved the problem. You can't stop problem drinkers by making alcoholic beverages less accessible or more expensive. . . . Alcoholism is a disease. We need more funding for the development of proper treatment and proper treatment facilities if we are ever to reduce the incidence of drunk driving."

—Dorothy Dee

FISHER'S LAW

Fisher's Law #77

"Principles" for using a consultant

On occasion, organizations encounter a problem, follow an established pattern or procedure that is inappropriate or develop organizational myopia or glaucoma. But there are professionals who can help to make things right—consultants. Over the years, I have used different types of consultants and, possibly, have learned a thing or two as a result, as the following "principles" demonstrate.

1. Make sure the consultant comes from more than 50 miles away. This increases the consultant's credibility and perceived stature because people can think, "Gee, the consultant must be pretty good if the company brought him/her all the way from _____." If you were to hire a consultant who is located three blocks away, the aura would be missing. People would think the consultant was not very good if his/her office was located in the same neighborhood.

2. Hire a consultant who has no familiarity with your business or industry since such prior experience could give the consultant the same myopic or glaucomic condition from which your company suffers. By finding a consultant who is untainted and unbridled with knowledge of your business or industry, you can get a fresh perspective.

3. Never tell your subordinates that you have engaged a consultant, the reasons for the engagement, the time frame, the expected benefits, the need for cooperation and so forth. There is also no need to introduce the consultant to anyone in the organization because that would remove the mystery surrounding the person(s) and diminish the consultant's effectiveness.

4. Never commit to writing the terms of your relationship with the consultant since it is impossible to cover everything in a written document. Further, never commit to writing your perception of the problem. Above all, don't require a time and reporting schedule, written progress reports, a final report and so forth. Do it all verbally, even the tables, charts and graphs. That way, months or years after the consultant has left, no one can say, "Let's go back and check the consultant's report." You don't want your people mired in the past anyway.

5. Remember that hiring a consultant is a quick and easy way of appeasing your boss and/or the board of directors. Such higher authority will then think, "We've got some experts looking at it." If it is at all possible, hire one of the board members as the consultant. That flatters the board member, and you can establish a closer relationship with him/her. Don't worry about a conflict of interest or the difficulties inherent in a dual role of board member/engaged professional since you probably will not do what the consultant recommends anyway.

6. When the consultant arrives, describe all the personalities, political alignments, internal conflicts and intrigues that exist in the organization. Do not provide any other information, resources, support or assistance. After all, if the consultant is good, he/she will find a way to get started and get rolling.

7. Realize that the foremost reason why you have engaged a consultant is because it is the fashionable thing to do. Never mind about such mundane things as profit building; revenue enhancement; expense control; product, services or management development and the like. Your regular work force should be attending to those things. Since fashionability is your primary reason for hiring a consultant, let it be known in all the circles in which you travel that you have one in your stable. Such comments as, "My consultant says . . ." or "I was talking to our consultant just the other day about that" can be dropped at the club, on the golf course, at industry meetings and so forth.

8. The second most important reason for engaging a consultant is to temper the conceit of your employees. By bringing in an outsider, you show your employees that they do not know it all, that they are dispensable and that the task at hand is really a part-time situation. That ought to keep your employees in their place.

9. You must acknowledge that all consultants do quality work. Your consultant will insist on giving you written material, resistant though you may be. Understand that it will all be original work. Consultants never take "boiler plate" information out of other material they have completed in the past and pile it into the report they give to you. As for the report itself, the wide margins and the double or triple-spaced type add bulk to the report; and, if you were to display it to others (but not let them read it), the massive-looking document can really be intimidatingly impressive.

10. When it comes to compensating a consultant, do it slowly. Never set a "not-to-exceed" limit before the engagement commences since the consultant may discover more and more things that need to be addressed once that work has begun. Don't establish flat fees, hourly rates, percentage of savings arrangements, contingency fees, retainers, per diem allowances or anything of the sort. The consultant's invoice will give you insight into his or her creativity and imagination.

11. Never, under any circumstances, implement the consultant's recommendations since consultants are human and, therefore, fallible. To be sure that the first consultant did not lead you down the wrong path, engage a second consultant immediately to verify the work of the first. When the second consultant disagrees with the first, you can then hire a third, and so on. You are really fashionable then.

12. When the day of the final review arrives and you meet with the consultant, do not discuss the consultant's assignment. Instead, ask the consultant if he/she feels there are additional assignments that could be undertaken, and then discuss what those might be. Of course, the consultant will probably be reluctant to suggest that there are other things that he/she could do. Consultants are naturally reticent, and you may have to "pull out" those specific matters.

Fisher's Law #77. If you follow these 12 principles, you will be consulting with consultants constantly.

CREST Focus

The dinner market is changing

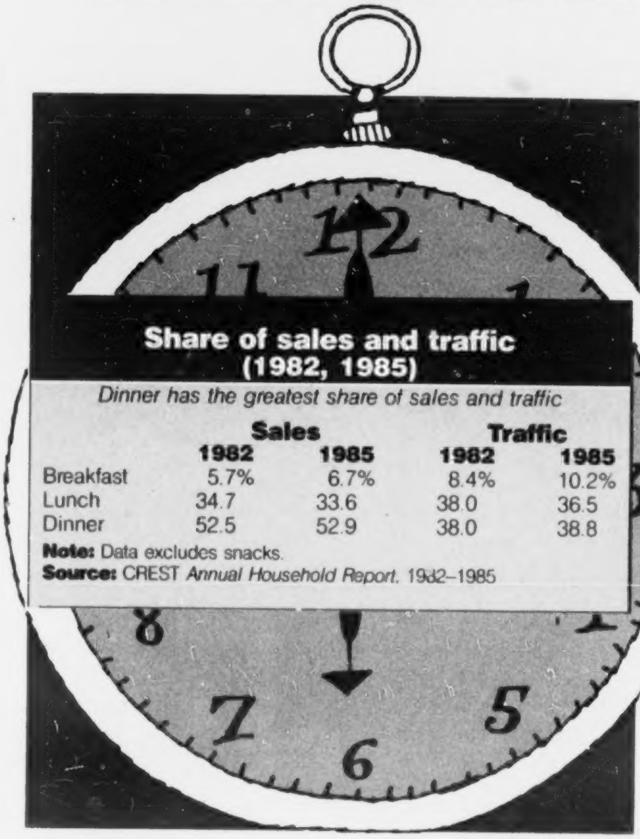
This CREST focus article takes a close look at restaurant activity during the evening meal period.

More and more consumers are deciding to let restaurants do the cooking for the evening meal. Data from CREST's *Annual Household Report* show sales at dinner advanced 17.9 percent between 1982 and 1985, and customer counts climbed 10.2 percent. As the accompanying tables illustrate, however, these gains have not matched breakfast's growth spurt during the same time frame, although they have surpassed lunch performance. Nonetheless, dinner was responsible for more than one-half of CREST sales dollars in 1985 and the largest proportion (38.8 percent) of traffic. Furthermore, dinner's share of both sales and traffic has edged up slightly since 1982. Breakfast is also accounting for increasing shares of traffic and sales, but lunch is losing ground.

Take out and home delivery soar

Although on-premises dining retains the largest share of dinner sales and traffic, virtually all of the growth in dinner traffic from 1982 to 1985 came from off-premises business. Take-out and delivery traffic at dinner more than doubled since 1982, and it increased its share of the market to 41.0 percent from 29.3 percent. At the same time, customer counts for on-premises dining fell 8.0 percent. As a result, off-premises dining now accounts for more than one-fourth of sales (versus 16.0 percent in 1982).

This shift toward more off-premises dining suggests consumers no longer perceive commercially prepared dinners as a discretionary purchase. The time constraints faced by many dual-career couples and families have increased the need for convenience. These busy adults have little time for home cooking as they juggle the many demands of their careers and home life. Delivered and take-out foods offer an excellent option. Moreover, home entertainment equipment, such as videocassette recorders (VCRs), has made home a relaxing, entertaining environment and, thus, has spurred sales of take-out and home-delivered dinner foods (see ***Restaurants USA,*** September 1986).



Share of sales and traffic (1982, 1985)

Dinner has the greatest share of sales and traffic

	Sales		Traffic	
	1982	**1985**	**1982**	**1985**
Breakfast	5.7%	6.7%	8.4%	10.2%
Lunch	34.7	33.6	38.0	36.5
Dinner	52.5	52.9	38.0	38.8

Note: Data excludes snacks.
Source: CREST *Annual Household Report*, 1982–1985

Frequent users of take out

Tapping into the take-out, home-delivery dinner market requires an understanding of who are the most likely users of these dining options. A National Restaurant Association study, *The Take-Out Market*, provides the following profile of frequent users of take out:

□ **Eighteen to 34 year olds.** Young adults and baby boomers enjoy the convenience of take-out dinners. Slightly more than 60 percent of the 18 to 24 year olds said they purchased a take-out evening meal two or more times a month as did 55 percent of the 25 to 34-year-old group.

□ **Single households and families with children.** About half of the singles in the study reported purchasing take-out foods

Between 1982 and 1985, dinner sales at quickservice restaurants jumped 33.8 percent, and customer counts advanced 16.8 percent.

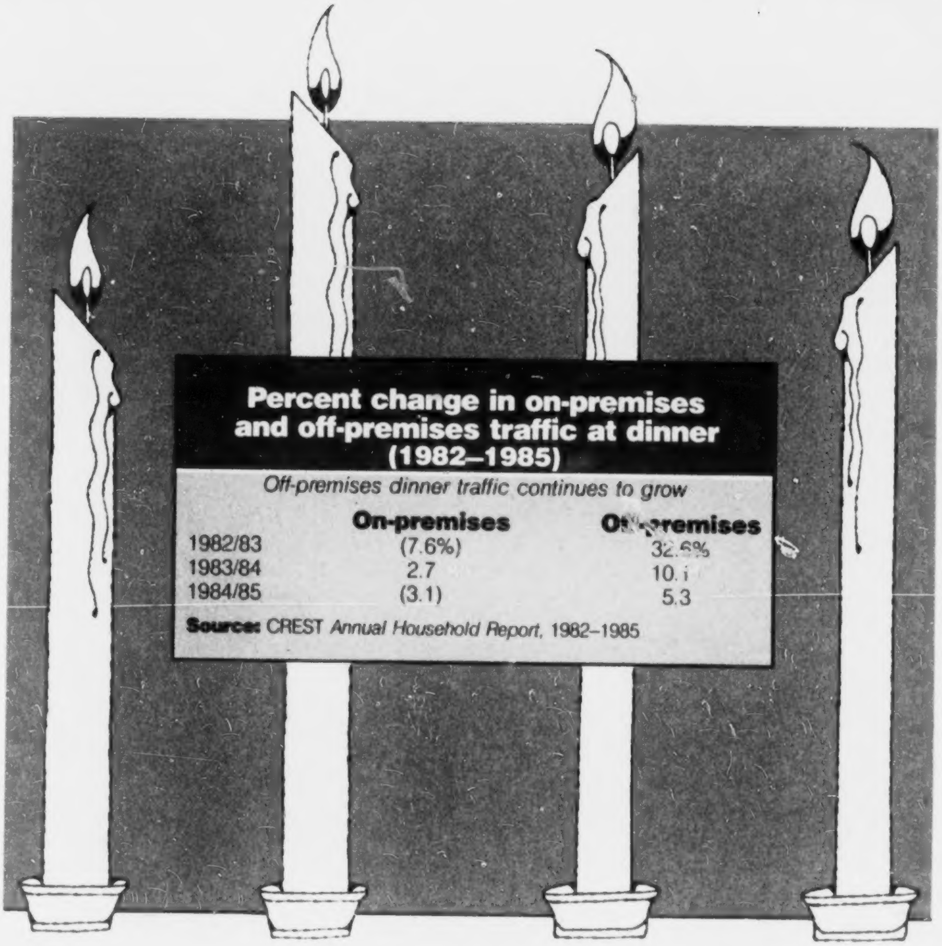
Percent change in traffic and sales at the three meal periods (1982 to 1985)

The greatest change in traffic and sales has occurred at breakfast

	1982/83		1983/84		1984/85	
	Traffic	**Sales**	**Traffic**	**Sales**	**Traffic**	**Sales**
Breakfast	9.7%	13.4%	10.7%	13.3%	7.9%	7.6%
Lunch	0.8	3.9	3.6	7.7	(0.7)	1.4
Dinner	4.2	5.9	5.6	8.1	0.1	3.0

Note: Data excludes snacks.
Source: CREST *Annual Household Report*, 1982–1985

Virtually all growth in dinner traffic from 1982 to 1985 came from off-premises business.



Percent change in on-premises and off-premises traffic at dinner (1982–1985)

Off-premises dinner traffic continues to grow

	On-premises	Off-premises
1982/83	(7.6%)	32.6%
1983/84	2.7	10.1
1984/85	(3.1)	5.3

Source: CREST *Annual Household Report*, 1982–1985

for dinner two or more times a month. Of the families with children under age 18, 46 percent said they purchased take-out dinners. Of those with older children, about one-half were so inclined.

☐ **Households where female head is employed full time.** More than 50 percent of households where the wife or mother was working full time reported purchasing take-out food and beverages for dinner at least two times a month.

☐ **Households with incomes of $35,000 or more.** More than one-half of upper-income households reported purchasing take-out foods two or more times a month.

The popularity of take out and home delivery has not gone unnoticed by restaurateurs. Drive-thru windows, mobile units and expanded menus are some of the ways the industry has reacted to consumers' demand for convenience. Clearly, take out and home delivery are waves of the future because the demographic changes that have spurred their growth are expected to continue for years to come.

Who are the most frequent dinner patrons?

Eating dinner out is popular with consumers from many different demographic segments. Of the adults surveyed for the National Restaurant Association's *Meal Consumption Behavior* study, nearly one-half (49 percent) indicated they ate dinner out at least once a week. Although 20 percent reported eating dinner away from home once a week, 14 percent ate two dinners away from home, and 19 percent ate three or more dinners away from home each week.

The age segment with the highest proportion of very frequent dinner patrons is the 18 to 24-year-old group—nearly 10 percent indicated they let restaurants do the cooking at dinner five to seven times per week.

Baby boomers—adults between the ages of 25 and 44—also enjoy eating dinner out. Of the adults in this age group, nearly four in 10 said they ate the evening meal out one to two times per week. Another 10 percent indicated they ate a commercially prepared dinner three to four times per week.

Thirty-six percent of those surveyed between the ages of 45 and 54 said they ate dinner from a restaurant once or twice per week, and nearly 11 percent said they did so three to four times.

Singles and families with children under 18 also dine out often in the evening. Nearly 30 percent of the single adults in the Association's *Meal Consumption Behavior* study said they ate dinner out one to two times a week. In addition, nine percent said they chose a commercially prepared dinner five to seven times a week.

At least 35 percent of the respondents from families with the youngest child under 18 years of age said they ate dinner away from home once or twice a week. Eleven percent of those with the youngest child between 13 and 15 years of age let restaurants do the cooking three to four times a week.

Not surprisingly, upper-income households opt for a commercially prepared dinner more often than do those with lower incomes. Sixteen percent of the respondents with incomes of $50,000 or more said they ate dinner out three to four times a week. In contrast, eight percent or fewer of those with incomes below $20,000 ate dinner out three to four times in a seven-day period.

The employment status of the female household member also affects the frequency of eating commercially prepared dinners. Four in 10 of the respondents from a household where the female is employed said they ate dinner out once or twice a week versus three in 10 of those where the female is not employed.

Quickservice dominates dinner market

Quickservice restaurants are gobbling up the dinner market. Between 1982 and 1985, dinner sales at quickservice restaurants jumped 33.8 percent, and customer counts advanced 16.8 percent. Furthermore, the quickservice segment has been capturing an increasing share of dinner sales and traffic, 39.2 percent in 1985 versus 34.5 percent in 1982. Nearly 60 percent of all dinner customers patronized quickservice establishments in 1985, up from 57.8 percent in 1982.

When a quick dinner out is on the agenda, consumers patronize pizza and hamburger restaurants most often. Since 1982, dinner sales at quickservice pizza places have doubled, and traffic is up nearly 40 percent. Dinner at hamburger establishments is growing at a slower pace than at pizza restaurants. Sales increased just 17.5 percent since 1982, and traffic was up 3.2 percent.

Although they account for a relatively small share of the dinner market, Mexican and Asian quickservice restaurants have made impressive gains in recent years. Dinner sales at Asian establishments have risen about 80 percent since 1982, and customer counts have jumped more than 60 percent. Mexican quickservice restaurants experienced nearly an 80 percent increase in dinner sales, and traffic at dinner has increased twofold since 1982.

Midscale restaurants have been losing ground at dinner. In spite of a 5 percent increase in sales, this segment's share of dinner sales fell between 1982 and 1985. In fact, the increase in dinner sales can probably be attributed to rising menu prices rather than more dinner business since customer counts at midscale restaurants declined slightly during that period. Restaurants particularly hard hit have been those in retail stores. They have seen traffic cut by nearly 31 percent. In addition, midscale hotel restaurants, cafeterias and Mexican places have all experienced drops in customer counts.

Midscale restaurants have been losing ground at dinner.

Even varied menu midscale restaurants, which captured the largest share of dinner sales and traffic in this segment, had virtually unchanged customer counts over the past four years.

In spite of the cloud which seems to hang over this segment, some midscale restaurants have been performing well. For instance, Asian midscale restaurants have enjoyed higher sales and traffic during the dinner hour.

Upscale restaurants have fared better than midscale establishments during dinner, but have not matched the gains made by their quickservice counterparts. Dinner sales at upscale restaurants advanced 13.8 percent between 1982 and 1985,

Frequency of consuming commercially prepared dinners

Singles are the most frequent dinner patrons

	One to two times a week	Three to four times a week	Five to seven times a week
Age			
18 to 24 years	28.0%	12.8%	9.7%
25 to 34 years	38.0	11.4	5.8
35 to 44 years	40.3	10.5	5.9
45 to 54 years	36.8	10.9	6.1
55 to 64 years	31.0	9.5	5.8
65 years old and over	20.8	7.0	3.5
Household composition			
Single	28.8%	13.7%	8.9%
Two-member couples	32.0	11.1	5.3
Family with youngest child under 6 years of age	36.5	5.6	3.4
Family with youngest child 6 to 12 years of age	38.1	7.3	3.5
Family with youngest child 13 to 17 years of age	36.3	10.9	6.6
Family with youngest child 18 years old or over	30.8	9.4	6.2
Income			
Under $10,000	19.2%	6.2%	4.6%
$10,000 to $14,999	27.4	6.3	4.5
$15,000 to $19,999	33.1	8.0	6.1
$20,000 to $24,999	36.8	9.3	4.9
$25,000 to $34,999	36.9	9.4	4.7
$35,000 to $49,999	42.0	11.6	6.7
$50,000 and over	38.8	16.1	6.9
Female employment			
Employed full or part time	37.0%	10.8%	5.9%
Not employed	30.4	7.1	4.0

Source: *Meal Consumption Behavior,* National Restaurant Association, July 1985

Dinner patrons are showing a strong preference for ethnic foods and high intensity flavors.

and traffic rose 8.5 percent. However, their share of the dinner market dropped.

Ethnic and specialty upscale restaurants have been doing extremely well in recent years, reflecting increased consumer interest in ethnic and regional cuisines, especially those with hot and spicy foods. Consequently, barbecue and Mexican upscale restaurants have become big attractions. Traffic at barbecue restaurants rose a dramatic 80 percent between 1982 and 1985, and customer counts at restaurants featuring Mexican fare climbed more than 40 percent.

Overall, dinner patrons are showing a strong preference for ethnic foods and high-intensity flavors. In the quickservice, midscale and upscale sectors, dinner sales at specialty or ethnic restaurants have increased substantially. Restaurants featuring Asian cuisine have performed particularly well at all price levels.

Most popular foods at dinner

Reflecting the popularity of quickservice restaurants, sandwiches are the biggest sellers at dinner. They were ordered on three of every 10 occasions in 1985, according to CREST *Household Report* data. Hamburgers and cheeseburgers were the number one choice, accounting for 19 percent of dinner orders. Other favorites at the evening meal were sidedish salads and french fries.

Pizza and chicken are vying for the top position at dinner. Pizza was chosen for dinner on nearly one out of five occasions in 1985, reflecting a 37 percent increase over 1982. Home delivery of pizza has come on strong in recent years, no doubt contributing to the gains.

Operators have expanded the number of poultry items on their menus. Overall, poultry orders advanced 17.1 percent

Characteristics of the dinner occasion

Here is some additional information about dinner sales, based on CREST's *Annual Household Report* 1985 data:

☐ **Weekends** are the most popular days for eating dinner out; Mondays are the least. Consumers abandoned home cooking on Fridays most frequently; 22.0 percent of all dinner occasions occurred on the last day of the work week. Saturdays were not far behind, capturing 20.9 percent of all occasions. In contrast, just 9.1 percent of all dinner occasions occurred on Mondays.

☐ **The average per person check size** at dinner was $4.65, up from $4.34 in 1982.

☐ **The average party size** is 2.16 persons. Parties of adults only are most common. On seven out of 10 occasions, no children are present. However, families should not be ignored; about 22 percent of all dinner occasions involved adults with at least one child—more than at other meals.

☐ **Prior activity.** The majority of dinner customers—47.5 percent—were at home prior to entering the restaurant. Work was the second most common prior activity—13.6 percent of all dinner occasions occurred after work.

Share of dinner sales and traffic by restaurant type (1985)

Quickservice is the front-runner for share of dinner sales and traffic

	Sales	Traffic
Quickservice	39.2%	60.8%
Midscale	30.1	25.7
Upscale	30.7	13.5

Source: CREST *Annual Household Report*, 1985

Popular dinner foods and beverages 1985

Sandwiches still top the list for dinner choices

Menu item	Proportion of occasions
Sandwiches	31.6%
hamburgers/cheeseburgers	19.0
Soft drinks	29.4
French fries	26.7
Side-dish salads	21.6
Pizza	18.9
Poultry	13.6
Coffee	13.0
Breads	12.2
Fish/seafood	10.0
Tea	9.0
Baked/stuffed potatoes	7.5
Soup	5.2
Mexican	4.5
Steak	3.8
Ice cream	3.8
Asian	3.2

Source: CREST *Annual Household Report*, 1985

between 1982 and 1985. Although fried chicken lost ground at dinner—orders fell 5.7 percent, orders of other items, including fried nuggets and barbecued chicken, jumped 86.0 percent during the four-year period.

The consumers' desire for healthier foods and heightened interest in ethnic cuisines have affected food choices at dinner. Orders of broiled/baked/grilled fish rose 53.1 percent between 1982 and 1985, while those for fried fish were virtually unchanged. Consumers also showed a greater preference for Mexican and Asian cuisines; they have upped their orders 24.0 and 10.2 percent, respectively.

Beverage consumption at dinner has undergone some changes. Soft drinks are the overwhelming favorite, accounting for 29.4 percent of all orders at dinner. In keeping with the health/nutrition craze, however, orders for diet drinks registered the biggest gain since 1982, up 55.6 percent. Although coffee remains the second most popular dinner beverage, it, too, has been the victim of changing consumer tastes. Orders have slipped 5.7 percent since 1982, although orders for the decaffeinated version have jumped 95.0 percent.

Dinner and drinks have become a less common combination. Alcoholic beverages accounted for the smallest proportion of beverage orders at the evening repast in 1985, and orders have declined 7.8 percent since 1982. Cocktail orders posted the largest drop, sliding 14.6 percent. The number of requests for beer fell 6.7 percent, and those for wine declined 4.5 percent.

Making the most of dinner

In today's competitive environment, stirring up dinner business takes some creative thinking. Certainly, promotions are one option for boosting sales and customer counts. CREST *Annual Household Report* data reveal consumers use promotions at dinner more than at any other meal period. In 1985, promotions were used at dinner on 15.3 percent of all occasions versus 10.2 percent and 9.5 percent at lunch and breakfast, respectively. Moreover, dinner patrons have become more receptive to promotions, increasing their usage 18.8 percent since 1982.

The National Restaurant Association's study *Consumer Reactions to and Use of Restaurant Promotions* confirms these findings. The majority of respondents in this study who used a restaurant promotion said the last incentive they took advantage of was for the evening meal. The most likely users of incentives at dinner are 35 to 44 year olds, those in the $15,000 to $19,999 income bracket, singles and married couples without children. A sizeable number of those who took advantage of a restaurant promotion at a fine dining establishment were first-time customers.

Although coupons are the most frequently used promotion at dinner, the evening meal offers other promotional opportunities, such as special events and price discounts.

In sum

The dinner hour offers operators vast opportunities for both on-premises and off-premises sales. The key to success is finding the right niche. —*Kate Conroy*

Consumers ask for portion size choices

Restaurants can make a good impression by paying attention to a number of little "extras" highlighted in the association's market segmentation survey Consumer Nutrition Concerns and Restaurant Choices.

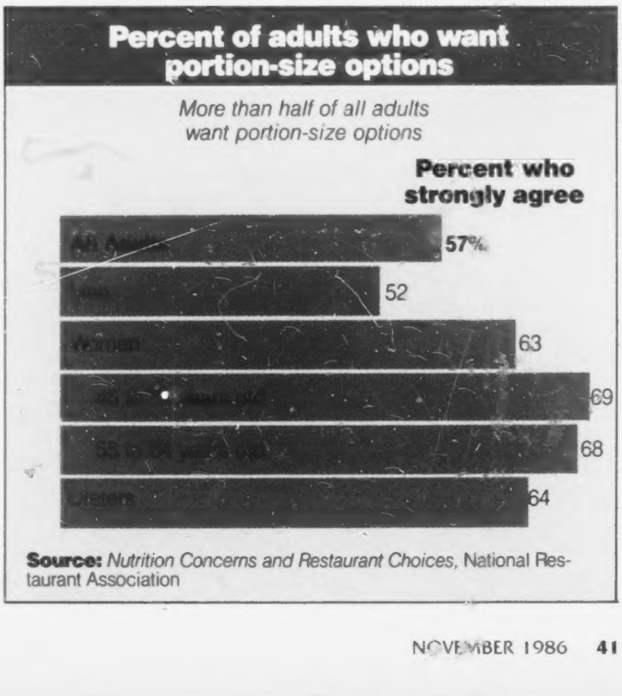
Customer interest in portion-size alternatives—one particular amenity identified by the survey—is high and has increased in recent years.

Customers want portion-size alternatives. Well over half of all consumers, 57 percent, strongly agree that restaurants should offer different portion sizes for different appetites, and another 18 percent agree somewhat. This is up from the 50 percent reported in 1977.

Portion size is a matter of particular concern to women, especially those more than 45 years of age. Among these women, at least two-thirds strongly believe that restaurants should offer more than one portion size.

For obvious reasons, dieters are more concerned than most consumers about portion size. Sixty-four percent of dieters strongly favor portion-size options, and an additional 19 percent agree somewhat.

It is worth noting that a substantial portion of the population is always on a diet. Slightly more than one-third of the respondents in the association's market segmentation survey were either on a diet or had been on one in the past year. Nineteen percent reported they were currently on a diet, and another 16 percent said they had been on a diet to lose weight during the past year. Dieting is especially prevalent among women 45 to 64 years of age: About 30 percent of these women say they are currently trying to lose weight.



Source: *Nutrition Concerns and Restaurant Choices*, National Restaurant Association

Commodity focus

Demand for poultry is strong and growing

Americans continue to eat more poultry—both at home and when they eat out. Because of nutritional and price considerations, poultry's appeal is forecast to continue to grow. The foodservice industry can expect that more poultry products will be developed and marketed in coming years.

The consumer's appetite for poultry products is larger than ever before. This year, per capita consumption of poultry is expected to reach nearly 74.0 pounds, on a retail weight basis, up substantially from 60.6 pounds in 1980. Although poultry consumption has generally trended upward since 1940, the increase has accelerated in recent years. From 1975 to 1985, overall poultry consumption was up 21.5 pounds per person.

Most of the increase in poultry consumption is attributable to broilers. This year, broiler consumption is expected to reach nearly 58.0 pounds per person, up 11.0 pounds from 47.0 pounds in 1980. Also, turkey consumption is expected to top 13.0 pounds per capita in 1986, compared to 10.5 pounds in 1980.

At a time when poultry consumption has registered strong gains, red meat consumption has declined. After peaking at 156.7 pounds in 1971, red meat consumption dropped to 147.7 pounds per capita in 1980 and 144.4 pounds in 1985.

Fish consumption, on the other hand, has increased, but at a much slower pace. Commercial fish and shellfish consumption rose from 12.8 pounds per capita in 1980 to 14.5 pounds last year.

More poultry orders in restaurants

Poultry is among the leading gainers in number of orders at restaurants, according to CREST information. From 1982 to 1985, the number of occasions at which chicken sandwich or chicken/poultry entrees were ordered rose 13 percent. Although quickservice restaurants account for the lion's share of poultry orders, it is notable that poultry orders also advanced at an above average pace in upscale restaurants.

A June 1986 Gallup survey for the National Restaurant Association reveals that restaurant managers have noticed a marked increase in patron demand for poultry. Although fast food outlets have introduced a variety of chicken products this year, more managers at full menu, fine dining establishments reported noticing an increased demand for chicken.

Poultry gains to continue

According to forecasts from the National Broiler Council (NBC), poultry consumption will continue to increase. The NBC forecasts that by 1990 poultry consumption will be at 89.0 pounds per capita, representing a 15.0 pound increase from 1986. Specifically, its projections show an 8.4 pound increase for broilers and a 6.5 pound increase for turkeys.

Percent of restaurant owners noticing increased demand for poultry by type of restaurant

Fine dining establishments have noted the largest demand for poultry items

Limited menu	28%
Full menu	45
Fast food	28%
Fine dining	57
Family	38
All others	40

Source: Gallup Eating Out Monitor, June 1986

Changes in the poultry industry

Today, the broiler industry is dominated by integrated poultry operations that combine hatching, feed production, bird growing and slaughter. Through improved technology and marketing, broiler production has increased at an average annual rate of four percent in the past 15 years. A recent trend that is expected to continue is "further processing" of broilers.

This year, about 19 percent of broiler poundage will be "further processed" into boneless bits, nuggets and other products. Further processing accounted for only 10 percent of slaughter in 1980 and two percent in 1962. Cut-up parts currently account for the majority of poundage—55 percent in 1986—and whole broilers account for 27 percent.

In the future, the share for further processed products is expected to increase dramatically from 19 percent of slaughter in 1986 to 39 percent in 1995. NBC's survey indicates further processing will be the trend "because improved technology will allow better products to be produced, and consumers will demand more of these products because they seek convenience, quality, variety and value."

Rapid growth is expected in the areas of

☐ batter and breaded
☐ sauce and gravy
☐ flaked
☐ restructured and
☐ marinated,

according to Dr. Charles J. Wabeck of the Poultry Science Department, University of Maryland. "The processing and further processing area of the broiler industry as we know it today will be a memory in the next five years," he says. Computerized weighing and portioning, aseptic packaging, irradiation and steam injection are some of the processes that will provide innovative products in the coming years.

For further information about the future of poultry products, contact the National Restaurant Association's Information Service in Washington.

At first glance these increases may seem unattainable, but there was a 7.0-pound increase in chicken consumption from 1981 to 1985. Also, the turkey industry, which enjoys many of the same price and nutritional advantages as the chicken industry, has recently introduced various processed products that are expected to extend consumption throughout the year.

Results from the NBC survey of 21 broiler companies further suggest the ranking of meat consumption may change in the next 10 years. Three-fourths of these producer/processors predict that per capita chicken consumption will outweigh beef and pork by 1995. Twenty-five percent, however, predict beef will continue to dominate.

Poultry's price advantage

Relative to beef and pork, broilers enjoy a distinct price advantage. This advantage is present at both retail and wholesale price levels. In 1985, the wholesale price for broilers averaged 50.8 cents per pound, well below the 90.8-cent average for choice steer beef and 91.5-cent average for pork loins. It should be noted, however, that prices per pound for breast meat were about twice the whole broiler price in 1985, up from about one and one-half times the whole bird price in 1960. USDA attributes this increase to the addition of various breast meat entrees in restaurants, especially fast food places.

Chicken leg and wing prices, on the other hand, are below whole broiler prices. This means that there is "a price incentive for processors to find additional uses for the nonbreast part of the broiler," according to USDA's Allen Baker.

The relative price advantage for chicken can mean more chicken orders at restaurants as well, according to the results of a Gallup survey conducted in 1983. When a nationally representative sample of adults was

Menu price sensitivity

Chicken gains in popularity when relative price is considered

	Sample I		Sample II		Sample III	
Menu item	**Price**	**Percent ordering**	**Price**	**Percent ordering**	**Price**	**Percent ordering**
Steak	$9.50	23%	$11.50	21%	$12.50	19%
Shrimp	8.50	21	10.50	20	11.50	21
Chicken	6.75	40	6.75	46	7.75	49
Veal	7.50	16	8.50	12	10.50	9

Source: Gallup Eating Out Monitor, 1983

How broilers are marketed

Cut-up and further processed broilers are considerably more popular today than they were 10 years ago

		Percent		
Year	**U.S. production (million pounds)**	**Whole**	**Cut-up parts**	**Further processed**
1975	8,127	61%	32%	7%
1980	11,353	50	40	10
1986	14,200	27	54	19

Note: Production is millions of pounds, ready-to-cook basis
Source: National Broiler Council

Per capita consumption of poultry, red meat and fish 1940 to 1990 (projected)

The difference between beef and poultry consumption is decreasing

Year	Broilers	Turkey	Total Poultry	Beef	Pork	Fish/ shellfish
1940	2.0	2.9	17.0	43.4	69.4	11.0
1960	23.4	6.2	34.0	64.3	60.3	10.3
1970	36.8	8.0	48.4	84.0	62.3	11.8
1980	47.0	10.5	60.6	76.5	68.3	12.8
1981	48.5	10.8	62.4	77.2	65.0	12.9
1982	49.9	10.8	63.8	77.2	59.0	12.3
1983	50.8	11.3	65.1	78.6	62.2	13.1
1984	52.9	11.4	67.0	78.5	61.8	13.7
1985	55.5	12.1	70.1	79.1	62.1	14.5
1986*	57.6	13.5	73.8	78.1	58.8	
1990*	66.0	20.0	89.0			

**1986 estimated by USDA. 1990 projected by the National Broiler Council*
Note: Data are pounds retail weight basis.
Source: 1940–1985 data, USDA

Preferred method of chicken preparation

Fried chicken is the top choice

Method	Percent of respondents
Fried/battered	31%
Roasted/baked	22
Barbecued	18
Chicken cordon bleu	12
Chicken cacciatore	4
Chicken divan	2
Chicken fricassee	2
Chicken in casserole	2
All ways	4
Don't eat chicken	2

Source: Gallup Eating Out Monitor, 1985 asked which item they would order if the price was the same for steak, shrimp, chicken and veal, steak was the favorite, preferred by 45 percent of the respondents. Shrimp came in second (27 percent), chicken captured third place (17 percent) and veal came in last (10 percent). One percent gave no answer.

But, as the accompanying table demonstrates, chicken picks up a much stronger following when consumers evaluate the relative prices of menu items.

Relative price is expected to continue to be one of the two important considerations for consumers in the next decade, according to NBC's *Survey of Broiler Companies*. The other high ranking concern that will influence poultry consumption is health and nutrition.

Nutrition concern is important

Consumer perceptions about which foods are healthiest to eat have affected poultry consumption. A 1985 study for the National Livestock and Meat Board demonstrated that the greatest advantage chicken had over beef and pork was related to nutrition and health concerns.

A look at the results of Gallup's inquiry concerning preferred method of preparation shows that nonfried preparations outweigh fried chicken preparations two to one. Still, fried chicken is the single most popular category. CREST information indicates that fried poultry entrees, especially fried bits at quick service places, are responsible for a majority of orders and much of the growth. At upscale restaurants, however, barbecue and other nonfried poultry items are posting stronger gains.

—*Susan Mills*

No pattern for employee training costs

There is no consistent pattern for training costs by type of establishment, sales, size or years in operation.

For some restaurant operations, employee training involves extensive programs often accompanied by video cassettes and comprehensive manuals. For others, training may be on the job with a minimum of educational materials and aids.

It is not surprising, therefore, that training costs vary substantially from one establishment to another. Even on a per-employee basis, the range of spending for training is broad.

According to the *1986 Restaurant Operations Survey* conducted by the National Restaurant Association and Laventhol & Horwath, the median cost for training per establishment was $4,225 for restaurants serving food and alcoholic beverages.

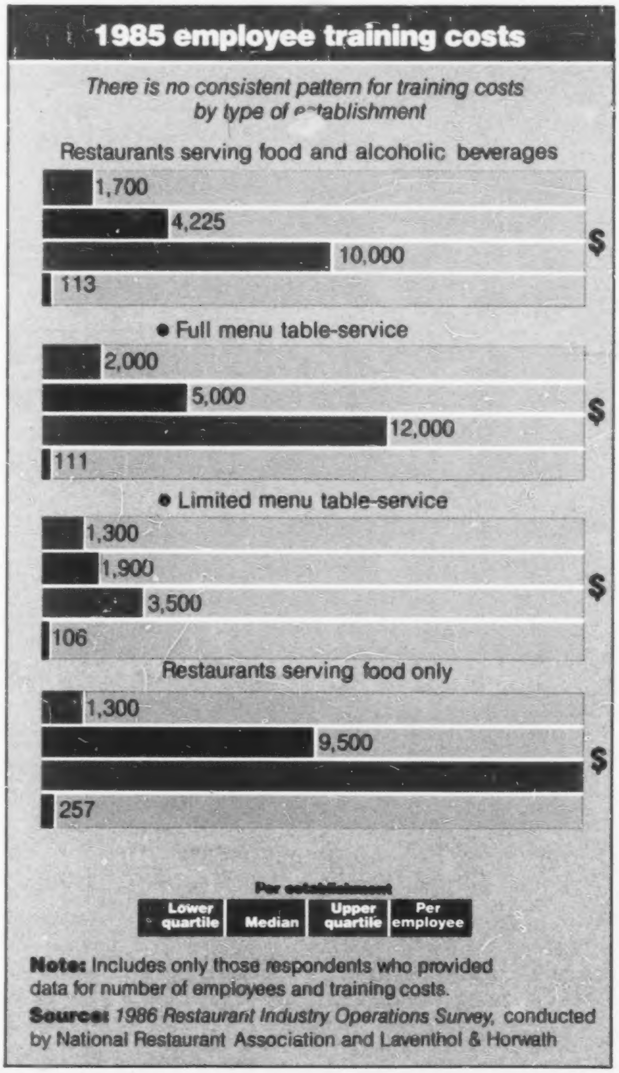
Training costs for half of the survey respondents fell within a broad range of $1,700 to $10,000. Twenty-five percent of the respondents reported that they spent less than $1,700 for training, and an additional 25 percent spent more than $10,000. The accompanying table shows an even broader range of training expenditures for establishments serving food only.

Of course, the total number of employees who work at an establishment will affect overall training costs, but indications are that the range of spending is likely to be substantial on a per-employee basis as well.

Overall, the 1985 median training cost per employee was $113 for restaurants serving food and alcoholic beverages, as estimated by respondents to the *1986 Restaurant Operations Survey*.

The corresponding median for restaurants serving food only was $257. No explanation for this substantial difference emerges from the survey results.

In fact, none of the standard breakdowns used in the *1986 Restaurant Operations Survey* shed any light on training costs. There is no consistent pattern for training costs by type of establishment, sales size or years in operation. Nor does there appear to be a consistent relationship with turnover or the ratio of full to part-time employees.



1985 employee training costs

There is no consistent pattern for training costs by type of establishment

Note: Includes only those respondents who provided data for number of employees and training costs.

Source: *1986 Restaurant Industry Operations Survey,* conducted by National Restaurant Association and Laventhol & Horwath

1 NEW ENGLAND

Location: Brockton, MA
NRA member: James F. Nelson
Operation: Tip Top Family Restaurant
Profile: Fullservice family restaurant
In business: 39 years
Seats: 385
Meals served: Lunch, dinner

"You won't find tablecloths or candles on the tables," says **James Nelson,** owner of the Tip Top Family Restaurant. You will find, however, plenty of reasonably priced, homemade Italian and American specialties, which is exactly what the hungry customers who fill the restaurant each day and night are after.

The Tip Top, located 20 miles south of Boston, served only pizza when it opened in 1947. Over the years, it evolved into a popular fullservice restaurant which draws families from Cape Cod and Boston as well as from Brockton.

All soups and sauces are made on the premises. Fried clams, broiled scrod, haddock, veal and pasta dishes are house favorites. Pizza, says Nelson, is still an integral part of the restaurant's business. A two-year-old express delivery has expanded so quickly that the restaurant recently opened a separate pizza commissary.

2 MIDDLE ATLANTIC

Location: East Rutherford, NJ
NRA member: Peter J. Logothetes
Operation: Candlewyck Diner
Profile: Fullservice diner
In business: 17 years
Seats: 190
Meals served: Breakfast, lunch, dinner

"Since Candlewyck Diner opened its doors in 1969, the 24-hour restaurant has attracted a comfortable mix of family and professional business," says co-owner **Bill Margaritis.** This year is no exception, and business is up despite what Margaritis called a "bummer of a September."

Located in a densely populated section of northern New Jersey, Candlewyck is in a competitive restaurant market. Margaritis says his staff works hard to satisfy customers.

In an effort to spruce up the diner, the owners recently remodeled, adding brick archways, oak paneling and new wallpaper. The menu has not escaped change either. In addition to the traditional diner fare, sauteed Italian dishes and seafood are popular choices.

Although his diner is modern in its menu and appearance, Margaritis's major business complaint is an old one. "I can't get any good help," he sighs.

3 SOUTH ATLANTIC

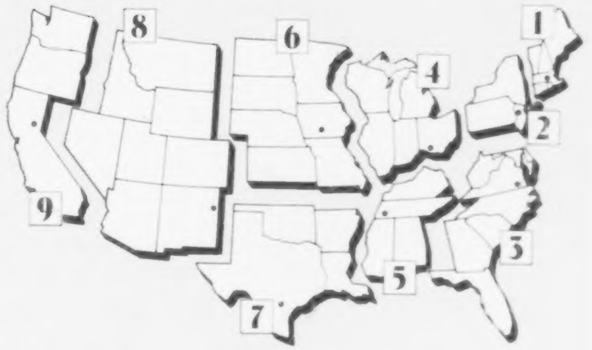
Location: Wakefield, VA
NRA member: Bill Galloway
Operation: Virginia Diner
Profile: Country-style diner
In business: 57 years
Seats: 125
Meals served: Breakfast, lunch, dinner

The lines of hungry people waiting to sample the Virginia Diner's southern fried chicken, seafood and country-style ham only tell half the story of the 57-year-old restaurant's success. As owner **Bill Galloway** enthusiastically points out, Virginia fancy peanuts have made the southeast Virginia diner famous.

The diner markets a varied line of salted and unsalted peanuts, both in shell and out. The huge mail-order business includes accounts from customers the world over. The peanut operation has grown so large that Galloway was recently forced to build a 4,000-square-foot facility just for cooking the nuts.

The Virginia Diner was originally housed in a 1860s railroad passenger and baggage car, but expansions over the years have made it difficult to recognize the original structure. Business grows steadily at about 10 percent annually, and on a busy day it is not unusual to serve more than 1,000 meals.

Galloway is proud of the diner's reputation for quick service—when the operation is running smoothly, the average order is filled in seven minutes.



4 EAST NORTH CENTRAL

Location: Cincinnati, OH
NRA member: Ron Sweeney
Operation: Diner on Sycamore
Profile: Fullservice diner
In business: 3 years
Seats: 160
Meals served: Lunch, dinner

"There's a lot of construction around Cincinnati, and the economy is doing real well," says Diner on Sycamore Manager **Steve Carroll.** The non-traditional diner, located in the downtown section of Ohio's Queen City, is also thriving, with business increasing 10 percent in each of the restaurant's three years of operation.

The diner's physical plant is one of its most striking features. A kitchen and dining room were added to an original 1950s diner, which the owners brought, on a flatbed truck, to its present location. Neon, stainless steel and Italian tiles add a high-fashion look.

The original dining area now serves as the lounge. Upon entering, customers are greeted not by a counterman flipping burgers but by a bartender mixing drinks. Around to the side is the dining room, where customers sit in black, patent-leather booths and order from a varied menu. In addition to salads, burritos and sandwiches are such distinctive dishes as tempura shrimp wrapped around artichoke hearts and Brie en croute with a raspberry sauce.

5 EAST SOUTH CENTRAL

Location: Jackson, TN
NRA members: Basil J. Baudo, H.A. Baudo
Operation: Baudo's Restaurant
Profile: Fullservice restaurant
In business: 21 years
Seats: 200
Meals served: Lunch, dinner

Fall business has been brisk at Baudo's Restaurant in Jackson, TN. According to head cook **Jack Baudo,** whose parents own the restaurant, "We always expect a slow September and January, but the other months more than make up for it."

Located midway between Memphis and Nashville, Baudo's is a stopping-off point for salesmen and professionals during the week. On the weekends, it is popular with families and couples looking for a special night out.

Latticework with grapevines and Chianti bottles give the dining room an outdoor patio feeling. At candlelit tables, customers enjoy American and Italian cuisine—prime rib, seafood and pasta dishes are house specialties. Customers who save room for dessert can enjoy a slice of one of Baudo's unusual homemade pies. *Pina Colada Pie*, with pineapple, coconut and rum, and *Banana Split Pie*, with all the ingredients of the old-time favorite, are two rich examples.

6 WEST NORTH CENTRAL

Location: Des Moines, IA
NRA member: Judy James
Operation: Cyclone Truck Stop
Profile: Family-style truck stop
In business: 11 years
Seats: 74
Meals served: Breakfast, lunch, dinner

"Even though Iowa's economy has been hurting for about three years now, our business is still showing a little growth," says **Bob James,** owner of the Cyclone Truck Stop. The Cyclone's business depends on the amount of truck traffic on the highways, James adds, and the months leading up to Christmas are busy because trucks are filling up the warehouses for the holidays.

The Cyclone's clientele is about 65 percent blue collar, with truck drivers constituting about one-quarter of that segment. Customers at the truck stop expect filling food, and James's sirloin steaks and fresh, breaded tenderloins never disappoint. Daily specials include liver and onions—a surprisingly good seller—and casseroles. All pies, rolls and pastries are baked on the premises.

7 WEST SOUTH CENTRAL

Location: San Antonio, TX
NRA members: C.H. Roman, Gene Barton, Chris Houser
Operation: Aunt Julie's Kitchen
Profile: Fullservice family restaurant
In business: 2½ years
Seats: 200
Meals served: Breakfast, lunch, dinner

The restaurant business in San Antonio is "terrible," laments **Jesse Hellums,** co-owner of Aunt Julie's Kitchen. Hellums's family restaurant is at a particular disadvantage, he says, "because it's a new concept, and we're not sure we've got everything just right."

Most restaurants in San Antonio are down 15 to 25 percent this year. Hellums blames the poor economy. "When things were going well we overbuilt, and now we've got too many restaurants competing for the same food dollar," he explains.

Aunt Julie's Kitchen serves family-style food in generous helpings. A breakfast bar, where customers help themselves to hot and cold offerings, has proved to be one of the restaurant's few bright spots. Hellums says it has been a "huge success on weekends." At lunch and dinner, when the most popular entrees are fried chicken and chicken-fried steak, customers round off their meals with a trip to the vegetable and salad bars, where six fresh vegetables and an array of salad items await them.

8 MOUNTAIN

Location: East Clovis, NM
NRA member: Darrell Cook
Operation: Cook's Truck Center Restaurant
Profile: 24-hour truck stop
In business: 8 years
Seats: 125
Meals served: Breakfast, lunch, dinner

"The local economy is suffering," says **Darrell Cook,** the owner of Cook's Truck Center Restaurant, "because agriculture and the cattle business are not doing well." Business at Cook's, however, is strong because of business from truckers. The fall and early winter months are particularly busy, says Cook, although things begin to slow down around February.

About one-third of Cook's customers are truckers, and as a concession to their unusual schedules, he offers anything on his menu at any time of the day. Breakfast foods are a big seller, and recent experiments with *chile rellenos* and *sopaipillas* have also proved successful.

Cook likes to prepare all his food from scratch. He recently hired a full-time baker, who has significantly raised the quality of the homemade chocolate and coconut pies, cinnamon rolls and breads.

9 PACIFIC

Location: Dunnigan, CA
NRA member: Donna Weir
Operation: Aladero Coffee Shop
Profile: 24-hour truck stop
In business: 13 years
Seats: 120
Meals served: Breakfast, lunch, dinner

Business is booming at the Aladero Coffee Shop, a 24-hour truck stop located about 30 miles north of Sacramento on I-5. The diner regularly serves more than 1,000 meals a day. Lately, it has nearly doubled that total due to the misfortunes of two local competitors. One nearby restaurant burned down, and another temporarily closed due to a death in the owner's family.

The Aladero, however, does not need to rely on natural disasters to get a leg up on competition. As manager **Donna Weir** points out, the cafe is nicknamed "Panty Hose Junction," because "all you see when you come in here is legs."

Aladero's customers order breakfast foods, taco salads and chicken-fried steaks. Ollie Delano, who has cooked at the diner since it opened 13 years ago, also bakes a popular bread pudding that is served with daily specials, such as meat loaf and Cajun-baked chicken.

—David Slater

Edible art

When the directors at the French Culinary Institute in New York, NY, wanted to raise their students' consciousness about food presentation, they knew where to turn for help. The institute, located in the Soho section of Manhattan, recruited neighborhood artists to participate in their "Artists and Cuisine" dinner series.

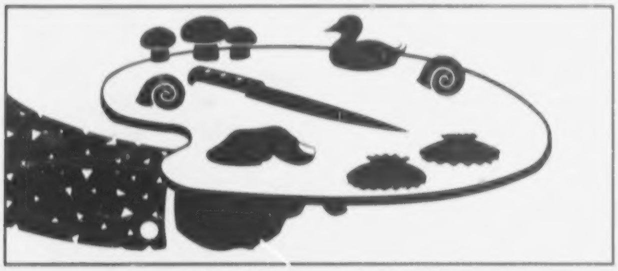
Since the series began last year, the institute's student-run restaurant, Le Ferrandi, has been the site for six collaborative dinners. For each dinner, a chef is matched with an artist whose work is temporarily displayed at the restaurant. Students take part in the presentation.

The most recent collaboration was between Bob Breeding, a local sculptor, and Jim Peterson, an instructor at the school. After one month of planning, the two men came up with a meal that featured wild mushrooms and snail consomme, gratin of Malpeque oysters and scallops, roast duck, green salad and individual tulip-shaped pastry shells filled with white chocolate mousse.

"What I noticed immediately in his work were the organic forms," Peterson said. As a result, wild mushrooms and scallop shells were obvious choices. When it came to duck, Peterson was unsure how to create a dish that would convey the soft, flowing nature of Breeding's sculptures. So he decided to slice the meat and accompanying vegetables into strips about six-inches long and one-inch wide. "I figured Bob could coil them together and come up with the forms in his art." Breeding did.

Both men said they gained a greater appreciation of the other's medium. "Chefs have preconceptions as to how plates should look," said Peterson. "But when you work with an artist, there's a certain spontaneity." Said Breeding, "I had never thought of relating food to my art."

—The New York Times



A house wine that's homemade

Turback's of Ithaca, a small restaurant in Ithaca, NY, has brought new meaning to the term "house wine." The restaurant's dining room staff tended the vines and picked the grapes for their "Blanc du Jour."

Turback's has long been a champion of New York wines, particularly those produced in the Finger Lakes region where the restaurant is located. In an effort to teach the staff "the full range of the wine experience, from vine to glass," owner Michael Turback approached the Frontenac Point Vineyard with his proposal for the unique collaboration.

The vineyard agreed to let Turback's staff assist in vine-tying, grape-thinning and harvesting the grapes. Then, after experimenting with a number of blends from the two varieties that were picked, a wine comprised of 75 percent Seyval Blanc and 25 percent Johannisberg Riesling was determined to be the most versatile and complementary to the range of food served at Turback's.

The collaboration should prove beneficial to the vineyard as well. "A knowledgeable restaurant staff is our goodwill ambassador to the public," says James Doolittle, owner and wine maker of Frontenac Point. "The more they know about wine, the better the sales."

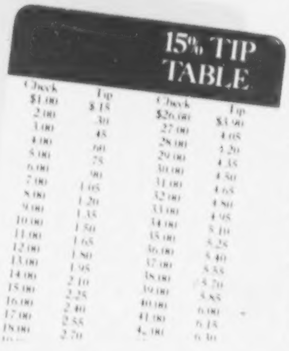
—Turback's

A hot tip

For those people who have difficulty calculating a 15 percent tip, help is on its way. Californian Walter Littenberg has created a plastic, credit card-sized "Tip Table" which calculates a 15 percent tip for check totals from one dollar to $100.

According to Littenberg, the tip table has turned into a phenomenally successful impulse item. Some of his best customers, he says, are waiters and waitresses who buy the cards to distribute to their customers.

The cards cost 79 cents each, and they are available at many stationery, drug and book stores. They also can be purchased by the dozen by sending $10.48 (which includes one dollar for shipping) to Target Promotions, Box 1693, Santa Monica, CA 90406.



—Restaurants USA

A scrapbook of food facts

A. How many pounds of potato chips does the average American eat in one year?

B. How many peanuts does it take to make one jar of peanut butter?

C. If you spoke dinerese, how would you order a well-done burger with lettuce and tomatoes but no onions?

The answers to these questions and more can be found in *Great American Food Almanac*, an organized scrapbook compiled by prolific cookbook author and writer Irene Chalmers with graphic desiger Milton Glaser and friends. Using snippets of news and views from hundreds of authoritative sources, the almanac is useful, diverting and full of surprises.

Some of the more interesting chapter headings include "Eating out," "Cooking schools," "Eating habits" and "Aquabusiness," a surprising look at what the future holds for fish lovers. The book is published by Harper & Row.

And now for the answers to the questions . . .

A. 17

B. 540

C. Burn one, drag it through the garden; but don't cry on it.

—Restaurants USA

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THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 6 ☐ NO. 11 ☐ DECEMBER 1986

RESTAURANTS USA

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1987 FORECAST•
CONSUMERS TAKE THE DRIVER'S SEAT

ASSOCIATIONMEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

1/20	Pawtucket, RI
2/3	New Orleans, LA
2/18	Rosemont, IL
2/19	Minneapolis, MN
3/19	Boston, MA

Increasing Sales: Effective Front-of-the-House Management*

2/2	Winnipeg, Manitoba, Canada

**Formerly Dining Room Management: Sales and Service*

Kitchen Management

1/22	Schaumburg, IL
1/26	Baltimore, MD
3/2	Oak Brook, IL
3/9	Shreveport, LA

People-Power and Profits

1/22	Philadelphia, PA
1/29	Cincinnati, OH
3/10	Tucson, AZ

Tools for Training

2/25	Seattle, WA
3/19	Los Angeles, CA

Food Production Courses

Perfecting Your Culinary Skills

1/27	Atlanta, GA
2/5	Dallas, TX

Simplified Baking Workshop

2/10	Ventura, CA
2/12	Sacramento, CA

Soups and Sauces

1/22	San Diego, CA
2/16	Denver, CO
3/1	Washington, DC
3/3	Rochester, NY

Foodservice Management Courses

Banquet Management

1/26	Vancouver, B.C., Canada
1/28	Montreal, Quebec, Canada
2/23	Newark, NJ

Beverage Management

2/3–4	St. Louis, MO
3/30-31	King of Prussia, PA

Employee Motivation

2/9	Charlotte, NC
2/11	Vienna, VA
3/9	Portland, OR

Food Cost Management

1/20	Orlando, FL
2/18	Nashville, TN

Foodservice Operators' Legal Workshop

1/27	Birmingham, AL
2/23	Concord, NH
2/25	Cincinnati, OH
3/4	Seattle, WA

Menus That Sell!

3/10	Troy, MI

Negotiating for, and Financing, Foodservice Facilities

1/29–30	Atlantic City, NJ
3/19–20	Springfield, VA

Off-Premises Catering

1/26–27	Houston, TX
2/9–10	Madison, WI
3/2–3	Indianapolis, IN

Operational Analysis

1/28–29	Jacksonville, FL

Planning and Implementing Restaurant Marketing Strategy

3/4–5	Reno, NV

Planning Successful Buffets

2/17	Lexington, KY
3/2	Colorado Springs, CO
3/23	Tampa, FL

Profitability

1/28	Atlanta, GA

Real Estate and Restaurant Site Selection

2/17–18	Scottsdale, AZ

Restaurant Design and Facilities Planning

2/10–11	Tampa, FL
2/23–24	Las Vegas, NV

S.A.F.E.

1/20	Arlington, VA
3/11	Cleveland, OH

Stress and Foodservice

3/25	San Antonio, TX
3/26	Dallas, TX

Wine and the Bottom Line

1/27	Toronto, Ontario, Canada
2/25	Stamford, CT

NATIONAL CONFERENCES

Independent Foodservice Operators' National Conference

1/18–21	San Francisco, CA

National Conference on Computers in Foodservice

3/8–11	Dallas, TX

Conference on Planning and Financing Restaurant Growth

4/5–8	Los Angeles, CA

If your company is interested In-house Programs, call or write to the attention of Ed O'Hare at the above address.

For more information, contact
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STUDY GROUP MEETINGS

Safety Officers

1/12–14	Miami, FL

Large Independent Operators (LIO)

1/16–18	San Francisco, CA

Labor Relations

1/29–30	Washington, DC

Financial Officers

4/1–3	San Diego, CA

Tax Executives

4/1–3	San Diego, CA

MIS (formerly EDP)

4/7–12	Orlando, FL

Internal Audit

4/21–24	Orlando, FL

MAECO

5/13–15	Chicago, IL

Marketing Executives

5/13–16	Chicago, IL

Foodservice Purchasing Managers

5/14–15	Chicago, IL

Published by the National Restaurant Association

USA
VOL. 6 NO. 11 DECEMBER 1986

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Restaurants USA (ISSN 0465-7004) is published monthly except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. $25 of membership dues includes a one-year subscription to ***Restaurants USA.*** The non-member subscription fee is $125 per year. Second class postage paid at Washington, DC 20001 and additional mailing offices. Copyright © 1986. Postmaster, send address change to ***Restaurants USA***, 311 First St., N.W., Washington, DC 20001.

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PRESIDENT'S REPORT

G. "Jim" Hasslocher, President
Frontier Enterprises, San Antonio, Texas

Association predicts growth in 1987

In 1987, our industry will approach $200 billion in sales and will account for 40 percent of the American food dollar. We have come a long way. In 1971, we rang up $46 billion in sales and accounted for 34 percent of the food dollar.

Next year will be the seventh consecutive year of real sales growth for the foodservice industry. The industry has entered a mature phase in which growth is unlikely to be dramatic, but absolute dollar increases will be substantial.

We have entered a phase in which, more than ever before, the foodservice company that responds most rapidly to changing consumer demand will post the greatest gains. By following National Restaurant Association research, by sharing ideas at association conferences and seminars and by reading this magazine regularly, you can learn what consumers want and need. Be sure to take advantage of your association membership in the year ahead.

Association prepares for the 100th Congress

It is still unclear how government action in 1986 will affect the economic forecast for foodservice in the year ahead. The new Immigration Act and the Tax Simplification Act, which will become law on Jan. 1, 1987, will certainly alter foodservice operations. The National Restaurant Association is carefully monitoring these effects. (See "Washington Report" in this issue of ***Restaurants USA*** for a legislative and regulatory wrap up.)

Similarly, the 100th Congress, which convenes in January, may reintroduce legislation that could 1) increase the minimum wage, 2) require mandatory labeling on fast food and take-out wrappers and 3) mandate extended employee benefits, such as medical and parental leave.

Congress has not given sufficient consideration to how such legislation will affect business—and more particularly foodservice. In the months ahead, the association will be seeking your help in making your representatives understand the repercussions of their decisions.

Festival offers wine education

For those association members who sell alcoholic beverages, the Monterey Wine Festival, March 8–11, 1987, in Monterey, CA, is an essential event. Now produced by the National Restaurant Association, the festival is the ultimate symposium on domestic wines and wine service. It will feature tastings, lectures, seminars, displays and other wine-related events.

A thorough knowledge of wines and wine promotion is the key to increased wine sales. For more information on the festival, write P.O. Box 467, Monterey, CA 93942.

Employee campaign gains momentum

We know that foodservice offers rapid promotion and rewarding careers. Unless we share this information with the public, however, our industry will face significant labor shortages in the years ahead. We should all take every opportunity to remind our current employees and potential employees about the benefits of employment in America's hospitality industry.

That is what the "Ours is a Special World" campaign is all about. The poster reproduced on the back cover of this magazine is just one in a series which should be on display in the back of your house. Last month, you received a packet containing samples of the "Ours is a Special World" materials as well as an order form. Order the materials you need today and help publicize the message about what our industry offers to loyal and hardworking people.

Conferences scheduled for early 1987

The association's education programs will get off to a quick start in 1987. In addition to the 175 seminars to be held between January and July next year, two national conferences are scheduled for early in the year. On Jan. 18–21, 1987, in San Francisco, CA, the annual Independent Foodservice Operators' Conference—INFO 87—will draw together restaurateurs from across the country.

INFO has gained a reputation for its diverse, hard-hitting programs that respond to the needs of the independent operator. Topics at this year's conference will include *In Search of Restaurant Excellence, Kitchen Design Concepts, Profit Center Analysis* and many others. If you are an independent operator, INFO could be your best investment of the new year.

Computer conference focuses on software

The National Restaurant Association's National Conference on Computers in Foodservice is scheduled for March 8–11, 1987, in Dallas, TX. This year's agenda will take an in-depth look at computer software and its application in foodservice. As foodservice catches up to other "high tech" industries, restaurateurs are discovering highly profitable and creative uses for computers in all aspects of their operations. Whether you are looking for ways to take full advantage of your present system or you are investigating the possibility of adding automation to your operation, this national conference will give you the tools you need to make profitable decisions.

Association videos take award

Your association has won another award from its peers—this one in the area of education. In November, the National Society of Association Executives presented the National Restaurant Association with an Award of Excellence in Education for our Waitstaff Video Training Series.

Many of you are probably familiar with the video training program as more than 6,000 tapes have been sold during its first year of distribution. I am happy to announce that the association's education programs department will be expanding its video training library in February to include a back-of-the-house series. Focusing on sanitation and food handling procedures, the new series will discuss and demonstrate purchasing, receiving, storage and food prep techniques. You will receive more information on the program in the near future.

Since the holidays are approaching, everyone in the Hasslocher family—Veva, Susan, Caryn, James, Robert, Julie and I—extends best wishes to you for a healthy celebration both in your business and in your home.

During November, 187 foodservice operators and allied suppliers joined us as members of the National Restaurant Association. Welcome. Your participation in the association will make your business grow and will make the association more effective in its endeavors on your behalf.

G. Jim Hasslocher

G. "Jim" Hasslocher
President and Chairman of the Board

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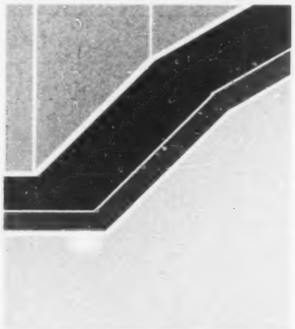

15 Consumer needs and demands are driving the industry like never before. Thus 1987 promises to be a year of challenges for the foodservice industry. To help operators meet these challenges, this forecast issue provides a comprehensive overview of the economic and demographic factors expected to affect the foodservice industry in 1987. Included are "big picture" predictions for the industry as a whole, plus detailed sales forecasts for individual foodservice segments as well as state and regional areas.

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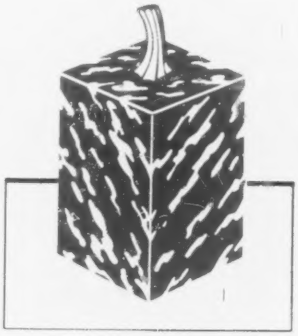


Cover photograph by Gary Landsman

SHORTORDERS

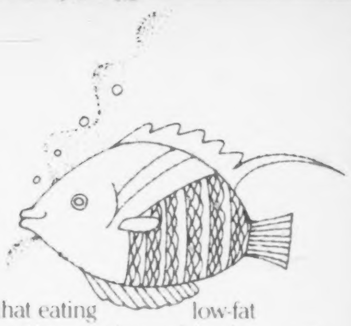
One-stop commodity shopping at 1987 Show

When you attend the 1987 National Restaurant Association Hotel-Motel Show, you can get all your commodity information in one stop. Twelve commodity marketing associations that represent American-grown produce will distribute recipes and food-handling tips for foods ranging from filberts to cheeses.

In previous years, commodity associations exhibiting at the Show were not organized into a single display area.

Association Convention Director Thomas C. Corcoran remarked that the new commodity program has enticed 50 percent more commodity marketing associations to exhibit in 1987 as in 1986. So far, Show attendees can expect to see representatives from the Produce Marketing Association, National Coffee Association, Seafood U.S.A., Florida Department of Citrus, California Beef Council, Winegrowers of California, National Cherry Foundation, Wisconsin Milk Marketing Board, American Lamb Council, Iowa Department of Economics, Oregon Filbert Committee and North Carolina Department of Agriculture.

PSAs to promote seafood, health



Three public service announcements (PSAs) promoting the health benefits of eating seafood have been produced by the National Fisheries Education and Research Foundation (NFERF).

The PSAs are designed to increase consumer awareness that eating low-fat and low-cholesterol foods, such as fish and vegetables, is good for the heart and can reduce the risk of heart attack. The PSAs promote seafood consumption in three different situations: cooking at home, shopping in the supermarket and eating in restaurants.

NIFI administers new tuition scholarship

Receiving the first Joseph E. Seagram & Sons $10,000 hospitality management tuition scholarship is William L. Rapant (second from right), a senior in Cornell University's School of Hotel Administration. Presenting the scholarship administered by the National Institute for the Foodservice Industry (NIFI) are (left to right) Thad A. Eure, Jr., NIFI president and past National Restaurant Association president Lawrence J. Weiss, Seagram vice president and Richard Hauer, NIFI executive director.

Tourism industry dinner planned

The Travel and Tourism Government Affairs Council will host its fifth annual Tourism Industry Unity Dinner and Congressional Reception on Feb. 18, 1987, at the Washington, DC, Hilton Hotel.

The dinner program will celebrate 200 years of American constitutional government. It will also provide travel industry executives with the opportunity to meet with colleagues, Congress and federal government officials. For more information, contact the Travel and Tourism Government Affairs Council, 1899 L St., N.W., Washington, DC 20036.

Association videotapes win award

The National Restaurant Association's Waitstaff Video Training Series has received an award of excellence from the American Society of Association Executives, an individual membership society made up of nearly 14,000 association executives and suppliers.

The videotape training series, which teaches waiters and waitresses principles of service, suggestive selling, training and team work, won the award in the first-year education program category.

The awards of excellence, which are sponsored annually by ASAE's Education Section, are presented to associations which have demonstrated creativity and innovation in educational programming.

This year's competition attracted nearly 100 entries in seven different categories, representing a wide range of national, state and local associations.

For further information about the Waitstaff Video Training Series, please contact Caren Brinker at the National Restaurant Association, 311 First St., N.W., Washington, DC 20001, (800) 424-5156 or (202) 638-6100.

Wrap Up

1986 legislative, regulatory wrap up

1986's legislative and regulatory decisions will have a lasting effect on the way foodservice businesses will operate in the future.

The most significant legislative activity of the 99th Congress centered around massive revisions to U.S. tax and immigration law. Federal action on the liability insurance crisis was the subject of numerous hearings, but just one measure was enacted before Congress's final adjournment on Oct. 18, 1986.

For the foodservice industry, the 99th Congress's activity brought some victories and some hard-fought losses. Restaurateurs will face new challenges adapting to changes in immigrant employment law and business meal deductibility, yet they will also have new options in purchasing liability insurance and hiring because of the passage of risk retention and TJTC legislation. Most important, lobbying by business groups this year prevented passage of potentially harmful legislation, such as the proposed polygraph ban, increase in the minimum wage, mandatory employee benefits and fast food ingredient labeling.

The National Restaurant Association lobbied successfully this year to prevent the passage of bills advocating a polygraph ban, fast food ingredient labeling and mandatory parental leave.

Association Past President Ted Balestreri testified on tax reform issues.

On the regulatory front this year, news was good for the foodservice industry. On several issues—particularly sulfites, central kitchens and fast food labeling—decisions made by federal agencies mirrored positions aggressively advocated by the National Restaurant Association.

Laws enacted

Tax Reform Act of 1986. The most talked-about legislative action of 1986 will shift an estimated $120 billion of the total tax burden from individuals to corporations over the next five years by radically scaling back both tax rates and tax breaks. President Reagan signed the tax bill on Oct. 22, 1986.

Contained in the bill is the association-opposed 20-percent cutback in the business meal deduction. Beginning Jan. 1, 1987, only 80 percent of expenditures on business meals, business entertainment and meals eaten away from home by business travelers may be deducted as legitimate business expenses. The bill allows for certain banquet meals to remain fully deductible in 1987 and 1988.

Targeted Jobs Tax Credit. The tax reform bill also retroactively reinstated TJTC, the tax credit available to employers who hire employees from one of nine categories of "disadvantaged" workers. The credit had expired on Dec. 31, 1985.

Through 1988, the measure allows employers a credit of 40 percent of a qualified employee's first-year wages, up to a maximum credit of $2,400.

Immigration reform. For the first time in U.S. history, employers who knowingly hire illegal aliens will be subject to civil and criminal penalties. They will face fines ranging from $250 to $10,000 per "illegal" hired. The amount will be determined by how often an employer has been found guilty of an infraction.

The new immigration law will require employers to maintain records documenting that they have checked prospective employees for proper identification. Employers with insufficient paperwork may be fined.

Employer sanctions are intended to eliminate the "job incentive" which many claim has attracted illegals to the United States in the past. The law went into effect Nov. 6, 1986, and provides a six-month "education" period during which no penalties will be imposed on employers.

Mandatory retirement. On Oct. 31, 1986, President Reagan signed landmark legislation prohibiting firms employing more than 20 workers from setting a mandatory retirement age. Until now, federal law allowed private employers to require retirement at age 70. The new law, which goes into effect Jan. 1, 1987, also specifies that health benefits for workers over 70 years of age must be continued.

Risk retention. This year's only federal bill designed to help alleviate the liability insurance crisis allows businesses and others to band together to collectively purchase general liability insurance or to pool their resources in order to self-insure. Previously, this option was open only to buyers of product liability insurance. President Reagan signed the bill into law Oct. 27, 1986.

Employee health benefits. The fiscal 1986 Consolidated Budget Reconciliation Act ("Cobra") signed by the President last April contained a provision requiring employers to permit ex-employees to continue participating in company health insurance plans for up to 18 months after the employee's separation date, providing that the employee was not fired for gross misconduct.

Employees must elect benefit continuation within 60 days of their separation date, and they must continue to pay insurance premiums, including any portion formerly paid by the employer.

The law also requires companies to offer a deceased or divorced employee's spouse or other qualified beneficiary the option of continuing health benefits for up to 36 months after an employee's death or divorce.

The law, which went into effect July 1, 1986, covers companies operating health plans for more than 20 workers.

Daylight saving time. Spring daylight saving time will now begin on the first Sunday in April rather than the last. Because this lengthens the time consumers can shop in the evenings, retailer groups supported this legislation.

Superfund. Corporations earning more than $2 million annually will be subject to a new 1987 tax of $12 per each $10,000 of earnings above that amount; revenues will fund hazardous waste cleanup. Opponents criticized the broad-based tax for unfairly penalizing those companies that do not generate hazardous waste.

Unfinished business

Polygraph ban. The House passed polygraph legislation in March, but the companion Senate bill never made it to the Senate floor for debate. The National Restaurant Association and other business groups lobbied against the controversial bill, which would have prohibited most private employers from administering lie detector tests. Some senators attempted to come up with compromise legislation more acceptable to businesses, but they were unsuccessful.

Decisions made by several federal agencies this year—on sulfites, central kitchens and fast food ingredient labeling—reflected positions advocated by the association.

Mandatory employee benefits. Legislation was introduced in both houses of Congress requiring employers to grant employees up to 18 weeks of parental leave every two years and 26 weeks a year of personal disability leave. In the House, the bill received committee approval, but a lack of time precluded floor debate; the Senate bill saw neither committee nor floor action. The association opposes any type of government-mandated benefits, and it will continue its opposition if the legislation is reintroduced in 1987.

Fast food labeling. The association actively and vehemently opposed bills introduced in both the House and the Senate this spring that would mandate ingredient disclosure in certain fast food establishments. Congressional sponsors are likely to reintroduce similar legislation next year. The association will continue to maintain that mandatory labeling is an unworkable, unenforceable way of distributing ingredient information.

Minimum wage. The House held no committee hearings on any of the three proposals to raise the minimum wage.

Highway billboard removal. The fiscal 1987 highway funding bill got tied up in heated conference committee debate during the final days of the 99th Congress and was never passed. One divisive issue was whether to speed up billboard removal on highways receiving federal aid by allowing states to amortize the expense of sign removal instead of compensating sign owners in cash. Because millions of federal dollars are currently unauthorized for state use, the bill is expected to be taken up early in the 100th Congress.

Regulatory action

Sulfite ban. The Food and Drug Administration's (FDA) ban on the use of sulfites as preservatives on fruits and vegetables intended to be served or sold raw or presented to customers as fresh went into effect Aug. 8, 1986.

The regulation also requires labeling, beginning Jan. 8, 1987, of all processed foods containing sulfites above a detectable level (10 parts per million). Another regulation released by the Bureau of Alcohol, Tobacco and Firearms requires labeling for alcoholic beverages containing sulfites, beginning Jan. 9, 1987.

The association has long supported a ban on sulfite use, advising its members since 1983 to discontinue use of the antibrowning agent that has been linked to 13 deaths and 500 severe reactions.

The FDA rule does not apply to potatoes; FDA has indicated it will address the potato issue in a separate ruling.

Central kitchens exemption. A U.S. Department of Agriculture (USDA) ruling, which went into effect Sept. 19, 1986, removed certain restaurant central kitchens from the purview of federal meat and poultry inspection laws. The rule implemented legislation passed by Congress two years ago at the association's urging.

Commissaries that ship ready-to-eat foods to local establishments—whether in state or out of state—owned by the same person or persons are no longer subject to cumbersome federal requirements. Reversing its own earlier proposal, USDA agreed with the National Restaurant Association in the final rule that "hot foods" should be permitted to be chilled during transportation and then reheated at the restaurant.

Fast food labeling. In September 1986, FDA became the second federal agency to reject the idea of mandatory ingredient labeling for packaged fast foods. The Center for Science in the Public Interest (CSPI), a consumer group, had asked FDA and USDA to begin enforcing fast food labeling, which CSPI claims is required by current law.

FDA agreed with the National Restaurant Association's arguments that fast food labeling is impractical and unenforceable. FDA officials outlined their reservations before key congressional staffers currently dealing with mandatory labeling legislation.

Magnetic media filing. The Internal Revenue Service ruled that large employers must file Forms W-2 and 8027 on magnetic tapes or diskettes beginning with the 1986 tax year. The ruling applies to employers who filed at least 500 W-2s or 8027s last April or who expect to file 250 or more of either form for the 1986 tax year.

—Denise Roach

1986 foodservice legal update

by Robert Alan Palmer

Liquor liability and employment matters continued to dominate hospitality operators' legal concerns in 1986. The liability picture improved substantially in many states, but the United States Supreme Court issued its first ruling in a sexual harassment case. Other issues in this year's legal picture included AIDS, exempt managers and customer safety.

Liquor liability

Continuing the trend of recent years, the supreme courts of Texas and Oklahoma and a federal court interpreting West Virginia law, all recognized for the first time common law negligence claims arising from commercial liquor service in those three states. The rationale was the increased social cost of drunk driving. "It is up to the civil courts to change concepts of duty as social conditions change," said the Texas court, while the Oklahoma jurists felt that to retain the old rule of nonliability would be "unrealistic" and "inconsistent with modern tort theories."

However, courts in the District of Columbia, Arkansas and Kansas reached the opposite conclusion in cases heard this year. None of these jurisdictions has dram shop laws, and their courts were unwilling to second-guess legislators who had not seen fit to pass such laws.

But if the judicial results in liquor liability were mixed in 1986, the state legislatures were voting on the side of liquor licensees in greater numbers than in any recent year. Spurred by a giant insurance industry push for reform and by the efforts of hospitality operators and other businesspeople with similar liability insurance problems, some 20 or so states passed laws aimed at improving defenses in liability suits. Some of the laws targeted alcohol-server cases specifically; others included liquor suits in larger reform efforts.

The major thrusts:

☐ **Dollar caps on defendants' liability.** Colorado, New Mexico and Utah this year set ceilings on the amounts plaintiffs may recover in liquor liability suits. Several other states adopted the more common approach of capping only non-economic damages, such as pain and suffering, but applied such caps in all personal injury actions, not just liquor cases. The insurance industry claims that overly generous dollar awards for such intangibles are a major part of today's insurance problem, and legislators seem more comfortable limiting non-economic damages than they are setting caps that might prevent a plaintiff from recovering large amounts of medical expenses or lost earnings.

☐ **Elimination or limitation of joint and several liability.** This is a response to the "deep pocket" dilemma of business operators who are only slightly at fault but end up paying the bulk of any damage award. By eliminating the joint liability doctrine traditionally applied to personal injury cases, legislators in a number of states tied the amount a plaintiff could recover from a negligent party to the amount of fault actually allocated to that individual or business. The effect, for prudent sellers of alcohol, should be to reduce potential liability. California adopted this approach in 1986 by voter initiative, rather than legislative action, indicating that many citizens are ready to understand the financial unfairness of joint and several liability and to support changes in the policy.

☐ **Restricting liability to alcohol-service situations involving minors or intoxicated individuals.** Many state dram shop laws already have this limitation, but negligence actions in non-dram shop states have gone far beyond the idea that an operator should be held responsible only when knowingly serving a minor or intoxicated person. This type of provision was popular with legislators in 1986 and should continue to appeal to states which have moved too far in the direction of liability without proof of obvious or visible intoxication. A few states passed even more favorable limitations this year, eliminating all liability for service to adults.

☐ **Establishing a "responsible practices" defense.** A small number of states have written into law the idea that a sued establishment may enter evidence of

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For registration information write or call:
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Chicago, Illinois 60601 (312) 853-2525 or 800-247-4448

Robert Alan Palmer is legal counsel for the National Restaurant Association.

server training or other good practices as a defense in a liquor liability action. Almost all courts would give some weight to such practices, even in the absence of a specific legislative mandate to do so. Server training and other defensive techniques, such as designated-driver programs, will continue to be an important part of any hospitality operator's risk management program. And, this year, Utah joined Oregon in establishing server training, beginning in 1987.

☐ **Insurance reform.**

Though actively campaigning for liquor liability changes, insurance companies caution that the adoption of such changes will not result in immediate premium reductions. These new laws have to exist for some time and survive court challenges before insurers feel assured enough to reduce premiums.

This indirect approach to cutting insurance costs was not enough for the Florida legislature, which passed a sweeping law mandating premium rollbacks and giving state regulators increased power over rate setting. If the Florida law holds up, it will trigger a wave of similar bills in other states. The insurance companies have, of course, challenged the new Florida law in court.

Sexual harassment

The United States Supreme Court this year heard its first sexual harassment case. The Court's opinion surprised many by greatly expanding plaintiffs' rights in this area, especially since the author of the opinion was Justice Rehnquist, who is now more than ever accused of being too conservative.

The case, *Meritor Savings Bank v. Vinson,* involved a female bank employee who submitted to her supervisor's sexual advances on numerous occasions, thereafter receiving several substantial promotions. The parties stipulated that the promotions were based on merit alone, but, in the minds of many, the plaintiff had little to complain about, having "consented" to the sexual relationship and suffering no negative job consequences.

Not so, said Justice Rehnquist. A harassment victim need not show that he/she was fired or demoted or rejected for promotion. The mere fact that the harassment was "unwelcome" is the determining factor, and harassment that creates a hostile or threatening work environment is just as actionable as harassment that requires submission in exchange for job retention or promotion.

Another issue in *Vinson* was notice—the plaintiff failed to complain to higher-ups within the company—but even that was not fatal to her claim in the Supreme Court. Though the justices avoided establishing a single rule applicable to all situations of harassment by supervisors or executives, the opinion noted that such employees are management and, as such, represent their employer. Therefore, at least in some cases, the employer may be held responsible for harassment by supervisors, even in the absence of a complaint.

The Supreme Court affirmed that sexual harassment violates federal antidiscrimination law just as does a refusal to hire or promote based on a person's sex. The result is that all employers should be increasingly aware of potential harassment problems, provide avenues for complaints, investigate all charges and discipline those employees found to have committed harassment.

The publicity surrounding a case such as *Vinson* makes employees more aware of their rights and should impress most employees (particularly supervisors) with the fact that harassment is not permissible in the workplace.

AIDS

The AIDS (Acquired Immune Deficiency Syndrome) issue, which took center stage in 1985, turned into a smaller legal issue in 1986. Civil rights enforcement agencies in some 30 states have declared AIDS to be a protected handicap under their state's laws. This means that employees with positive blood tests, AIDS-related conditions or even AIDS itself are to be retained as long as they can continue to perform their jobs. A Massachusetts court has recently confirmed this interpretation of that state's handicap discrimination law.

The U.S. Justice Department ruling that allows discrimination if based on "fear of contagion" applies only to government contractors under the Federal Rehabilitation Act. The ruling has been roundly attacked on legal and medical grounds and shows no sign of being adopted by state civil rights agencies as a guide for interpreting state handicap laws. Employers are still advised to treat AIDS-afflicted employees as they would those with any other handicap.

Exempt managers

The National Restaurant Association outlined changes that should be made in Department of Labor (DOL) "exempt manager" regulations in a statement submitted to DOL early this year. Current rules exempt employees paid at least $155 per week if they meet five "duties and responsibilities" criteria; those earning at least $250 per week are subject to similar, but fewer, tests.

Under the association's proposal, an employee need not meet a salary test to be exempt if he/she performs duties included in the current tests (if they are to be retained) or an association-proposed "supervisor" test based on the National Labor Relations Act definition of that term. Also proposed was retention of the so-called "high salary" test, with employees exempted if they are paid a particular amount and meet the current "primary duty" test or any of the duties in the proposed "supervisor" test.

Proposed regulations are now being drafted by the Department of Labor, possibly to be released by the end of 1986.

Customer safety

The National Restaurant Association filed a friend-of-the-court brief in a Colorado case (*Lannon v. Taco Bell*) that may decide to what extent a foodservice operator or other retailer is obligated to post armed security guards on premises as a crime deterrent. Two Colorado courts have thus far held that businesses may have such a duty if previous incidents in the store or area indicate a crime problem. Courts in a few other states have rendered similar decisions.

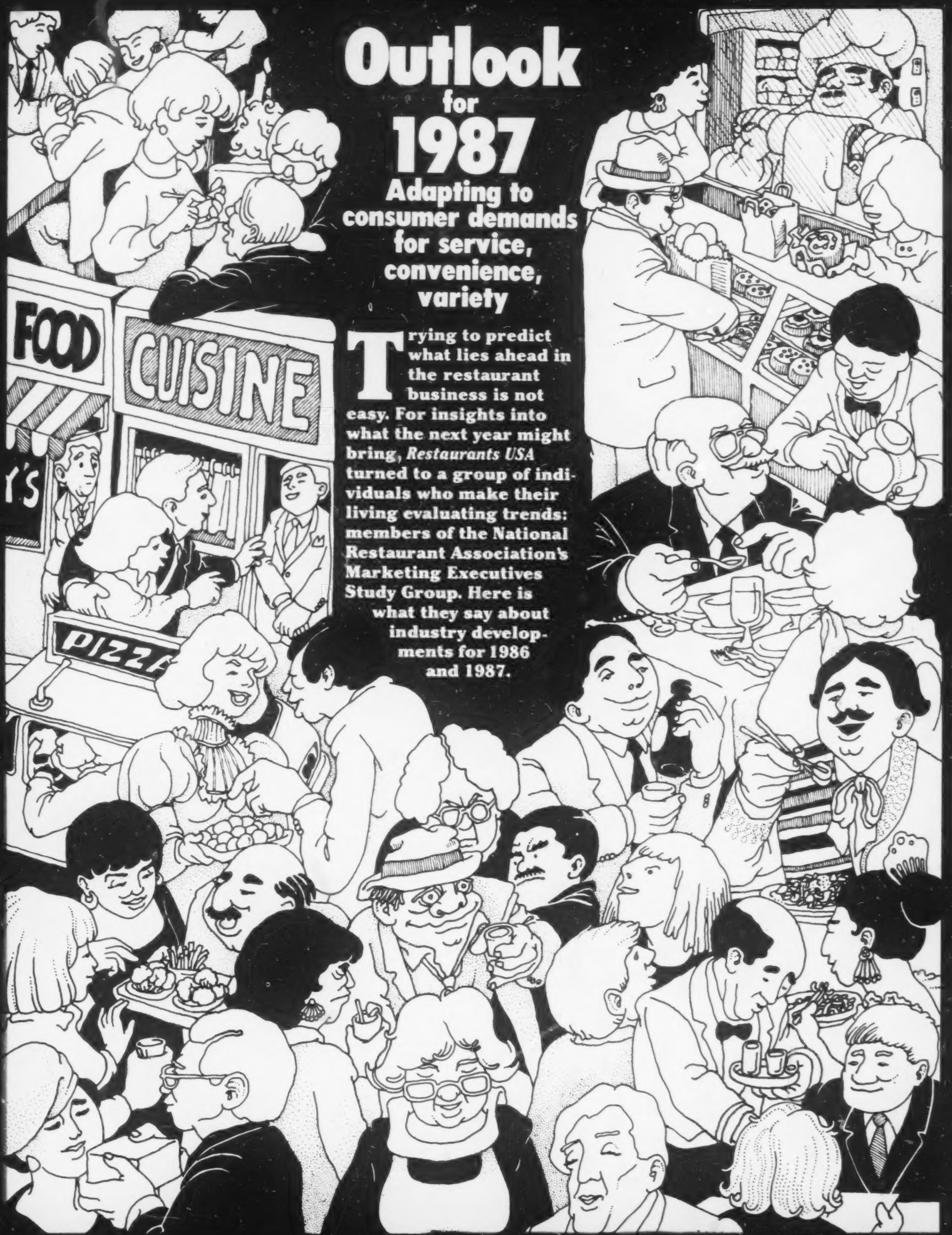
The association brief to the Colorado Supreme Court, which is hearing the appeal of this case, asks the court to reject this expansion of liability. A decision is expected shortly.

Editor's note: *Copies of dram shop and tort reform laws passed in 1986 during state legislative sessions are available from the National Restaurant Association's state relations department in Washington, DC.*

Outlook for 1987

Adapting to consumer demands for service, convenience, variety

Trying to predict what lies ahead in the restaurant business is not easy. For insights into what the next year might bring, *Restaurants USA* turned to a group of individuals who make their living evaluating trends: members of the National Restaurant Association's Marketing Executives Study Group. Here is what they say about industry developments for 1986 and 1987.



Upgraded service is critical

No other restaurant trend stood out so universally in 1986 as the industry's efforts to bring back top-notch service. This trend has taken many forms: from some restaurants returning to a good basics program (new controls to assure high quality food and service) to others adding better benefits and incentives programs to tell employees they are important.

"Customers just will not come back without good service," says Rick Cassara, director of marketing for the Stouffer Restaurant Company in Solon, OH, and chairman of the National Restaurant Association's Marketing Executives Study Group. "And," he adds, "poor service could just be employee indifference."

"You have to put more emphasis on people than on your product," concurs Greg Kaplan, regional marketing manager, Wendy's International, Inc., in Oakbrook Terrace, IL. "People can get good food anywhere today. That is why you must provide them with the exceptional experience. Until you turn that customer into a *guest*, you have no loyal base; and what achieves the loyal base is people, not product."

Even in the limited service segment of the business, service is changing. "At Chuck E. Cheese, we were unconsciously doing everything we could to make our experience unpleasant for adults. To let them know their order was ready, we flashed the ticket number on a TV screen, and they had to run to another room to get the order, leaving their children unattended," explains Dick Houston, executive vice president and director of marketing for Show Biz Pizza Time, Inc., in Irving, TX. "Now, we offer semiservice: A server brings the order to the table. We also added unlimited free drinks at a self-service drink area for the same reason, so customers don't have to wait in yet another line."

Efforts to reduce employee turnover go hand in hand with upgraded service. "Whatever it takes to keep good employees—if it is paying them better or giving them more training—we will have to do it to stay viable," notes Cassara.

Older, retired workers are an untapped resource to relieve labor shortages. Jan Schwartz, regional marketing manager for Jack-In-The-Box in San Diego, CA, sees many positive reasons for employing seniors. "The older, retired employees may be happier with their work since they have already proved themselves in an earlier career."

Off-premises consumption

Almost as important as service are ef-

Home delivery took off in 1986

More than just pizza

By car or by van, on foot or by air, home delivery took off in 1986. An increased demand for convenience, combined with the growing popularity of videocassette recorders and other home entertainment, has made delivery the option of choice for millions of consumers. The National Restaurant Association estimates that 40 percent of all restaurant meals are eaten off-premises—with home delivery accounting for a steadily growing share of that percentage.

More than just pizza

Pizza is the first food item that comes to mind when tracking the booming delivery trend—and it should be. An association survey reveals that nearly one out of two consumers enjoyed the convenience of pizza delivery during the first three months of 1986. But the real news this year has been the phenomenal increase in delivery of non-traditional items.

"People at home want more than just pizza, just as people sending out for food at business meetings want more than just chicken salad on rye with a side of cole slaw," says Barry Wine, whose delivery service, Lunchbox Clubbe & Kerryout, began this year as an offshoot of his Casual Quilted Giraffe restaurant in New York, NY.

Wine's service is riding the crest of one of the hottest, non-traditional delivery trends—gourmet delivery. "We're located in the heart of New York's 'investment banker' territory," he says, "so we cater mostly to business groups. These people are willing to pay for quality food." The menu at Lunchbox Clubbe & Kerryout includes such dishes as *Filet of beef, Confit of duck* and *Chicken poached with mustard sauce.* Items are delivered either in disposable packaging or, for regular customers, in elegant, reusable lacquer boxes.

Suzy Wong's, an upscale Chinese restaurant in Chicago, IL, is also meeting success with its gourmet delivery service. The traditional image of Chinese food—chicken chow mein, egg rolls and fried rice—is defied by Suzy Wong's eclectic menu. Residents of Chicago's Lincoln Park area are able to feast on such exotic items as *Filet mignon sauteed with orange slices and hot peppers, Szechwan lobster* or *Mandarin steamed walleyed pike*—all delivered right to their doorsteps. "It's home delivery with a touch of class," says general manager Michael Purich.

Other non-traditional items that are making it big on the delivery circuit are forts to meet the convenience needs of two-wage-earner families, singles and other segments. Burgeoning carry-out and delivery options have been the result. Stouffer's J.B. Winberry's restaurants, for example, added carry out in 1986, and the move has been a huge success. "We offer call-ahead orders so customers can call from work and then stop by on the way out of the office," says Cassara.

Take-out customers seem to be most attracted by foods that offer high quality at reasonable prices, say marketers, but the food does not have to be boring. It should, however, be carefully packaged. Upscale Italian entrees, soups, salads, ribs and regional specialties have all been part of the take-out boom. Since the purchase of videocassette recorders is skyrocketing, it may be that in the future the carry-out or delivery operator may provide the movie as well as the food.

Many types of operators—from fried chicken establishments to upscale continental restaurants—are experimenting with delivery. Some have a minimum order requirement, and some assess a charge for the service. In the pizza sector, delivery has become a standard feature. Pizza Hut recently announced it was beefing up its delivery training with 10 video programs for employees.

Study group members warn, however, that adding carry out and/or delivery can be the wrong move for some operations. Carry-out and delivery options are for businesses that are doing well—not for those with problems. "If you are in need of other improvements first—better service, better food or insufficient sales—you might be putting the effort in the wrong direction and losing focus," warns Houston. "If you are at capacity, however, carry out and delivery are excellent ways to expand."

Another option to increase off-premises consumption of a restaurant's items is the retail sale of specialties—whether baked goods, bottled dressings or signature spices. Some items are sold within the restaurant itself; others are marketed on grocery shelves from coast to coast.

Interest in fresh food continues

A trend that has been evident for several years—but continued strong in 1986—was [illegible] emphasis on "fresh or healthy" food. Good sellers in 1986 were chicken, seafood, grilled foods and marinated dishes. Hot salads—those served with various hot meats or seafood—were also strong in 1986.

Kaplan of Wendy's notes, however, that not everyone wants these items, and they are not appropriate for every segment. "As far as fresh fast food, I don't think people care. A fresh beef

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barbecued ribs (Tony Roma's began testing delivery in some units this year and has met with initial success, says a spokesman), fast food items from such industry giants as Burger King and Arby's, and ice cream. In fact, the ice cream delivery service at one Chicago-area operation is credited with keeping the business alive during the winter months. "We're not exactly a destination stop in January or February," says Jerry Isaacson, president of Wizard's, an 18-unit ice cream chain. "Delivery is our best method for maintaining sales during that period."

Innovative delivery methods

The proliferation of delivery services in 1986 has also meant the development of innovative and efficient methods for transporting foods. A state-of-the-art example is the system launched this year by Wichita, KS-based Pizza Hut. Pizza Hut has set up a central number in each city where delivery service is offered. Calls are immediately routed to the closest delivery unit where orders are taken. Pizzas are then loaded onto specially equipped vans and are cooked en route to customers' homes to ensure maximum freshness.

Self-contained mobile units are proving efficient for such companies as Burger King, Arby's and Kentucky Fried Chicken. Typical units include such features as gas or convection ovens, a generator, a walk-in freezer, sinks and a lighted menu board on the outside. These units then double as delivery vehicles and as mini-units. They are either driven to customers' homes or parked at high-traffic areas, such as near office buildings or outside events.

"Shore to Door in 24" is the slogan used by Legal Sea Foods (Boston, MA) to describe its innovative service. Legal Sea Foods, well-known for the fresh seafood available at its five Boston-area restaurants, now delivers seafood via air within 24 hours to anywhere in the country. Customers place orders through mail-order catalogues, which are available on request.

"Speed is crucial when delivering fresh fish, so we only use commercial express-mail services which guarantee overnight delivery," explains mail-order manager John Sharples. "In the case of lobster or clams, we'll even ship them live. We're probably the only home-delivery service in the country that delivers live products."

And a restaurant in Ventura, CA, has found the perfect delivery method for appealing to an upscale market. Milano's Restaurant, located on the water near a marina, operates a small speedboat to deliver pizza to neighboring yachts.

Getting others to do the job

Finally, even some operations that are neither equipped nor inclined to handle home delivery are contracting others to operate the service for them. One such "service which provides service" is EatOutIn, a company that delivers food for restaurants in the Austin, TX, area.

"My husband, Al, and I were busy people who ordered out a lot, but pizza was our only option," explains EatOutIn co-founder Jackie Davies. So Davies approached five area restaurants which featured different types of cuisines—Chinese, Italian, Tex-Mex, American and upscale continental—and arranged to set up a central delivery service. Customers simply call EatOutIn's central number and order from the menus of any of the five establishments. EatOutIn calls the restaurant, relays the order, picks up the food and delivers it to the customer.

"The restaurants benefit from the additional orders, and customers benefit from the additional options," says Davies. ❑

—Anne Papa

pattie versus a frozen one doesn't really matter to consumers as much as one might think. However, in the upscale, specialty market, this may be different. And we may be talking about the same customers. At lunch, they don't worry about fresh, but, if they are spending a little more money at dinner, it becomes very important," he says.

A by-product of the interest in fresh food are display kitchens which demonstrate freshness to the public. They have become a common feature in operations of all types—from fine dining restaurants to specialty bakeries.

New methods of cooking

The Cajun style of "blackened" cooking is enhancing menus from Maine to California. Cassara of the Stouffer Company believes the trend to adopt regional or ethnic foods will continue. "I think it is a trend we'll see more of. For example, Cajun cooking has been around for 200 years or better, yet in 1986 it became the fad." Schwartz agrees and adds, "I think other regional methods of American cooking, as they are noted, will become just as familiar in future years. I think it will take the form of 'going national' with a regional cooking style, such as California cuisine, Southwest cuisine or Caribbean cuisine."

Along the same line, there is a growing willingness for many restaurants to include ethnic dishes on their menus. Members of the study group see Middle Eastern and other Far Eastern foods being added to menus in the same way. Also popular is adding freshly baked breads.

Interest in social meals, finger foods continues

The idea of sampling caught on very strongly in 1986, although some upscale establishments built exclusively around appetizers have not done as well as they expected. Tapas bars, however, are an example of one type of grazing experience that has thrived since these operations offer the combination of adventurous flavors and a fun environment. "With people eating out three, four and five times a week, they want to experiment, meet and congregate in a social environment," says Cassara. "I see the trend to order several appetizers with a bottle of wine continuing."

An outgrowth of social food is creative finger food. Chicken nuggets, for example, are obviously here to stay.

As chains add new products, they evaluate them for their finger-food convenience. "This past year we introduced a pizza pocket, which is a small, folded pizza that can be easily eaten on the run without silverware," says Schwartz of Jack-In-The-Box. Even in the breakfast market, convenience continues to play an important role. For example, this fall, Burger King rolled out *French Toast Sticks*, a portable version of the breakfast favorite.

Alcohol awareness remains strong concern

At the same time that the public has taken a great interest in fun foods, it has shifted its focus away from drinking. Study group members agree that the alcohol awareness trend will continue strong in 1987 and that most operators will combine some sort of food service with bar service. Says Roberta Perry, vice president of Marketing for Edwards Technologies, El Segundo, CA, "I believe the trend that developed in 1986 for happy hour menus, late night menus and cafe menus will continue strong into 1987." This surge in food in the bar may lead to more off-peak business.

Perry notes that there has been an upscaling of drinks. As patrons cut the number of drinks they imbibe, they are willing to pay more per drink. The selection of premium vintage wines has increased on many menus. Also, as per capita consumption of alcohol has declined, the number of fancy non-alcoholic beverages has grown.

Upscaling: targeting sophisticated eaters

A growing number of traditional menu items are also rapidly being upscaled into impressive gourmet versions to appeal to the more affluent and sophisticated consumer. Even the once lowly hot dog has been knighted with many exotic toppings. Accompanying menu repositioning are decor changes in all sectors.

Several study group members warn, however, that although upscaling is a trend, it is not necessarily appropriate for every operation. Operators should not abandon their customer base, they warn. That is why an operator must be precise about the restaurant's mission statement, that is, what the restaurant hopes to accomplish for its target market.

Nostalgia is catching on

Nostalgia—a return to the familiar foods of earlier decades—has caught on with a sophisticated twist as seen in the new crop of diners. "I don't know if the nostalgic restaurant will last five years, but now it's in," says Schwartz.

Marketers say that customers yearn for a simpler time, yet with all the modern conveniences. Many have observed that the 60-plus crowd has a definite preference for the comfortable and secure.

Customer loyalty is eroding

Several marketers pointed out that customer loyalty is declining. Clyde Thompson of Restaurateur, Inc. in Richmond, VA, notes that in his research 28 percent of those surveyed cannot name a favorite restaurant. "Ten years ago there was no such statistic," he says. There are many possible reasons why this is happening, but study group members focused on only a few. It could be that the market is saturated with so many restaurants that it is difficult for customers to name just one favorite, they speculate. "It could be they have many favorite restaurants, depending on what meal occasion or category of eating out. They may have a favorite lunch restaurant, a favorite breakfast restaurant and a favorite restaurant to go to for a birthday," says Schwartz.

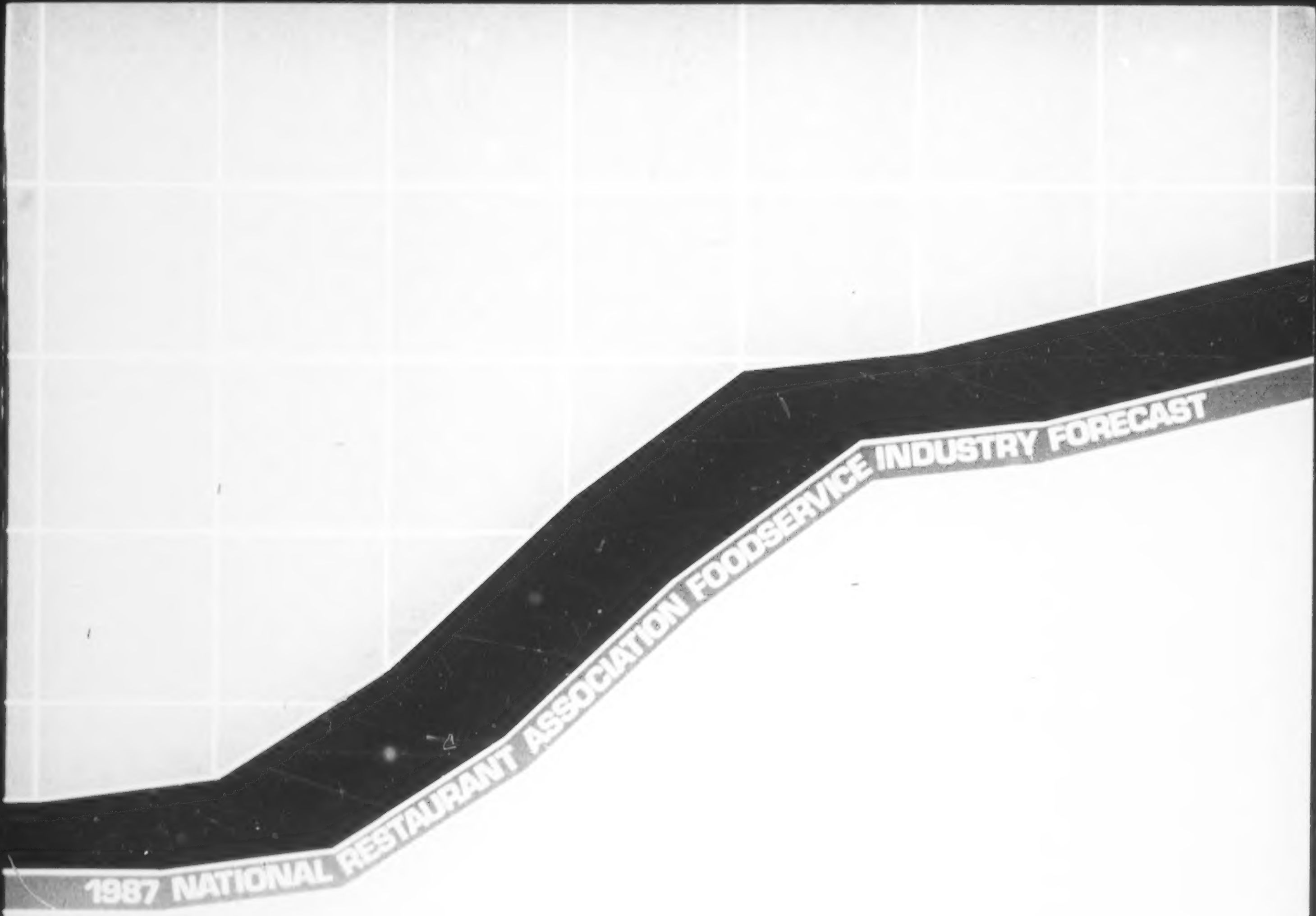
Affluent 50-plus market

As the 50-plus age group grows in affluence and numbers, more marketers are taking note of their desires. "They are a strong, loyal market once you've got them," notes Kaplan, "and, best of all, they eat when you like them to eat, when you are not crowded."

In sum

In 1986, growth came not from construction of new units, but from within, such as new menu items, extended hours and/or more attentive service as well as foods marketed for off-premises consumption. Because the industry is fairly well saturated, this direction should continue in 1987. ❑

—Kathy Boyle



1987 NATIONAL RESTAURANT ASSOCIATION FOODSERVICE INDUSTRY FORECAST

Contents

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1987 Forecast highlights

The industry has entered a more mature phase wherein annual percent growth is unlikely to be dramatic but the absolute dollar increase is still substantial.

The industry is heading for its seventh consecutive year of real growth.

□ **Foodservice industry sales** are projected to reach $197.5 billion in 1987—an increase of 6.4 percent over 1986.

□ **Real sales,** adjusted for inflation, should rise 2.4 percent—slightly lower than the 2.7 percent real gain of 1986.

□ The **Commercial Foodservice Group** should post the strongest gains in the industry. Sales should reach $174.1 billion in 1987—up 6.8 percent. Adjusted for inflation, this represents a real gain of 2.8 percent.

□ Real sales for the **Institutional Foodservice Group** are expected to decline 1.1 percent next year.

□ **Eating place sales** are forecast to reach $127.1 billion, a 2.8 percent real increase over 1986.

□ **Fast food restaurants** in 1987 will continue to outpace the industry average for real growth, posting a 3.5 percent increase over last year. Total limited menu restaurant sales will reach $54.2 billion.

□ The largest real gain in the industry will occur in the **retail host restaurant sector**—up an impressive 9.8 percent to $8.1 billion.

□ For the third straight year, **transportation foodservice sales** are projected to report real growth above the industry average—4.1 percent.

□ **Menu prices** will advance 4.0 percent in 1987, close to the 3.8 percent increase in 1986.

The information in this report was prepared in consultation with the research firm Malcolm M. Knapp, Inc.

Overview: The foodservice industry in 1987

The industry is preparing for its seventh straight year of real sales growth. Industry sales in 1987 are expected to total $197.5 billion, 6.4 percent above the $185.6 billion recorded in 1986. After adjusting for inflation, real sales should advance 2.4 percent, slightly below the expected 2.7 percent increase in Gross National Product (GNP).

Although the 6.4 percent growth figure is not as dramatic as those posted in earlier years, it represents a substantial $11.9 billion gain in absolute terms, roughly the equivalent of adding the entire lodging place foodservice sector in one year. The industry has entered a more mature phase wherein annual percent growth is unlikely to be dramatic, but the absolute dollar increase is still substantial. Foodservice is also in a more favorable position than many other domestic industries because its growth is not as affected by foreign competition.

Food and drink sales in the Commercial Foodservice Group are forecast to show the strongest gains in the industry in 1987, advancing a substantial 6.8 percent to $174.1 billion. In comparison, 1986 sales for this sector climbed at a slightly faster 7.1 percent. In inflation-adjusted dollars, sales for the Commercial Foodservice Group are projected to rise 2.8 percent next year.

Institutional Foodservice is forecast to post sales of $22.4 billion in 1987, up a modest 2.9 percent over sales of $21.8 billion in 1986. After adjusting for inflation, this represents a 1.1 percent decrease in sales, the same amount of decrease which occurred in 1986. The decline reflects both the increasing success of foodservice contractors who have moved into the market and the decline in the populations served.

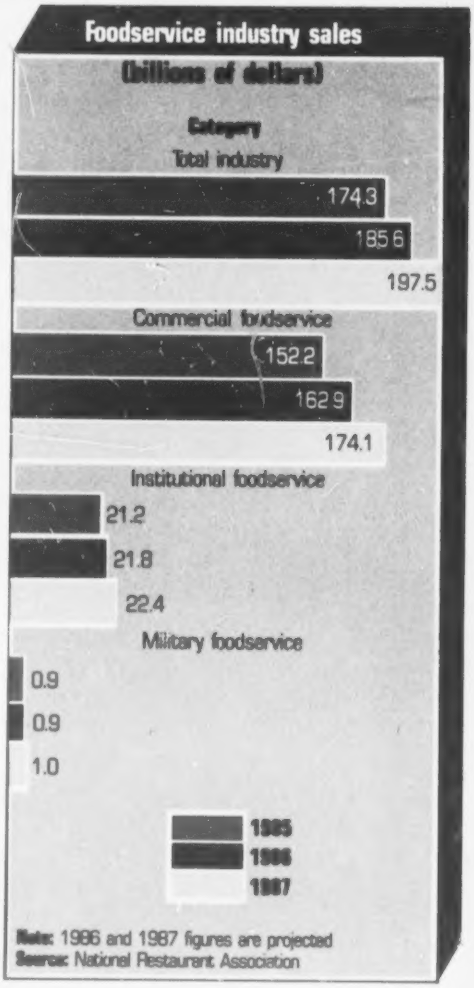
Sales in Military Foodservice are expected to advance in 1987, rising 6.6 percent to $1.0 billion. This increase is somewhat less than the 7.0 percent gain recorded in 1986. After adjusting for inflation, real sales are expected to advance 2.6 percent in 1987, down from the 3.2 percent real growth experienced in 1986.

Menu prices are expected to increase by 4.0 percent in 1987, similar to the 3.8 percent gain estimated for 1986. Although the cost of doing business will increase at a faster pace next year because of higher wholesale prices, increased competition should help to hold down overall menu price increases.

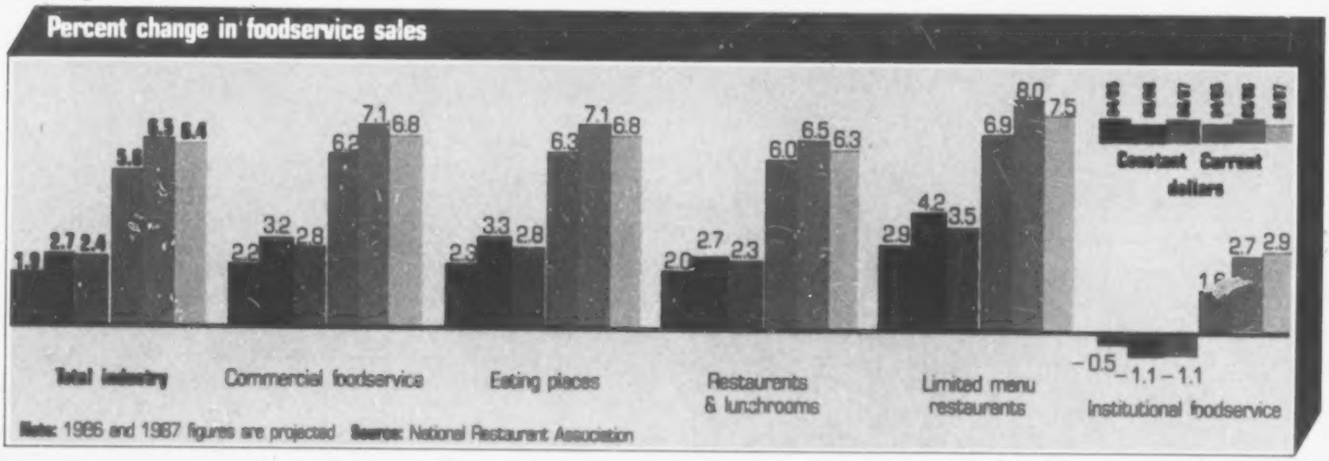
Wholesale food prices are expected to rise 3.4 percent in 1987, well above the 1.6 percent gain estimated for this year. A contributing factor is declining red meat production. This means that beef and pork will, on average, cost more next year. However, increased poultry supplies may temper price gains for red meats and keep poultry prices below 1986 levels.

Labor costs are expected to rise 3.6 percent in 1987, compared to an estimated 3.4 percent increase for 1986. Labor costs will be influenced by regional labor shortages and minimum wage increases in several states. Rising benefit costs are also a factor as operators improve benefit plans to attract and retain employees.

Other costs should keep pace with the overall inflation rate in 1987, rising 3.2 percent compared to a more modest 1.9 percent gain in 1986. Although oil and gas prices are down, electricity prices have not declined and are a contributing factor to restaurant overhead. In addition, cost increases are expected for insurance and advertising.


Foodservice industry sales

Note: 1986 and 1987 figures are projected **Source:** National Restaurant Association


Percent change in foodservice sales

Note: 1986 and 1987 figures are projected **Source:** National Restaurant Association

2 The economy

Since economic factors play a critical role in shaping the foodservice industry's performance, it is important to be aware of how the economy has performed and where it is expected to head in the next year.

1986 economic highlights

The rate of U.S. economic growth declined slightly in 1986 from its 1985 levels. In 1986, the Gross National Product (GNP) advanced a steady 2.6 percent, after adjusting for inflation, compared to the 2.7 percent real growth experienced in 1985.

Consumer spending continued to drive economic expansion in 1986. Real disposable personal income posted a gain of 3.6 percent in 1986, compared to a 1.4 percent increase in 1985. Consumers stepped up their purchases of both durable and non-durable items, spending a healthy real increase of 3.8 percent and 4.3 percent, respectively. This increased spending was funded by consumers boosting their debt load, which resulted in a cash pinch for these individuals. Accordingly, consumer confidence continued its decline in 1986 as increased levels of installment credit made consumers more cautious about the economic climate ahead. The savings rate also continued to drop in 1986, down to 4.9 percent of personal disposable income, compared to 5.1 percent in 1985. The savings rate for Americans has fallen steadily since 1981 when it stood at 7.5 percent.

Inflation continued to moderate in 1986. As measured by the Consumer Price Index (CPI), inflation rose a low 1.9 percent compared to an increase of 3.6 percent in 1985. Lower oil prices, combined with the decline of the dollar in international markets, boosted real purchasing power. Unemployment remained high by historical standards at 7.0 percent, even though the civilian labor force continued to grow. This larger work force, coupled with increased consumer spending, fueled U.S. economic growth in 1986.

Economic growth to continue in 1987

The *Blue Chip Economic Indicators* (October 1986), a consensus forecast of projections for key economic variables by 52 top economists, predicts that economic growth in 1987 will continue at a steady but unspectacular pace. Real GNP gains of 2.7 percent are expected in 1987, compared to the 2.6 percent increase recorded in 1986. The current period of U.S. economic expansion started in late 1982, and its continuation through 1987 would make this growth period the longest in American history. Increases in consumer spending will be a key ingredient to economic growth in 1987. Generally, an expanding economy correlates with growth in the restaurant industry.

The rate of increase in disposable income is an indicator of restaurant industry performance. In general, as the rate of change in disposable income rises or falls, similar behavior is observed for restaurant sales. Although the effect of the new tax reform bill is still uncertain, real disposable personal income is forecast to advance 2.8 percent in 1987, compared to the 3.6 percent increase recorded in 1986.

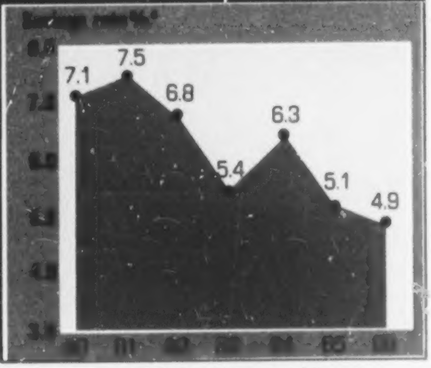
Inflation, as measured by the CPI, is expected to pick up in 1987, reaching 3.2 percent, compared to 1.9 percent in 1986. The declining value of the dollar abroad and increased labor costs should help to fuel the increase.

Other factors will also have an effect on the restaurant industry. Despite personal income gains, the cash available for purchasing non-durable goods and services, such as restaurant meals, has decreased because consumers have purchased cars and other large-ticket durable goods. As a result, consumer installment credit reached a record $567.7 billion in June 1986.

With a smaller increase in disposable personal income next year, consumers are expected to slow their purchases of durable goods. Real durable goods purchases are expected to increase only 2.8 percent in 1987, compared to the 3.8 percent advance posted in 1986. In addition, non-durable goods consumption is expected to show real growth of 2.6 percent in 1987, versus the 4.3 percent increase for 1986.

U.S. industrial production in 1987 is forecast to increase 2.8 percent, up from the 0.9 percent gain achieved in 1986. With this increased production, the civilian unemployment rate is expected to decrease slightly to 6.8 percent in 1987. In addition, civilian employment should grow by 1.7 million individuals in 1987. Housing starts are expected to remain at 1.8 million units in 1987, and car sales (domestic and imports) should fall from 11.1 million units in 1986 to 10.8 million units in 1987.

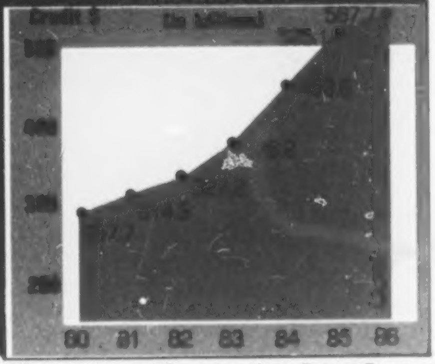
Consumer saving has dropped



*As a percent of disposable personal income

Source: Department of Commerce Bureau of Economic Analysis. Blue Chip Economic Forecast

Consumer installment debt has increased



Source: Board of Governors of the Federal Reserve System

Expected percentage change in tax liability by income classification

Annual income classification	1987	1988
Less than $10,000	−57.2%	−65.1%
$10,000–$19,999	−16.7	−22.3
$20,000–$29,999	−10.8	−9.8
$30,000–$39,999	−9.4	−7.7
$40,000–$49,999	−9.2	−9.1
$50,000–$74,999	−1.0	−1.8
$75,000–$99,999	4.3	−1.2
$100,000–$199,999	4.6	−2.2
$200,000 and above	9.8	−2.4
Total	**−2.2%**	**−8.1%**

Source: Joint Committee on Taxation

Tax reform

The Tax Reform Act of 1986 will alter the basic rules by which consumers spend, save, invest and borrow. By the time the new tax rates are fully phased in at the beginning of 1988, most individual taxpayers are expected to be paying less tax. On average, according to the Joint Committee on Taxation, taxpayers should receive a 2.2 percent federal income tax reduction in 1987 and a 6.1 percent decrease in their 1988 tax liabilities.

The tax reform bill has introduced an air of uncertainty and confusion in the 1987 economy. Its modest tax breaks will not match the losses incurred on the state and local levels from the elimination of various deductions. Thirty-four states and the District of Columbia tie their income taxes to the federal system; accordingly, federal tax reform is expected to increase state income taxes and decrease savings from the federal tax cut unless various state legislatures act to cut their revenue windfall. Consequently, consumer spending could tighten up more than expected until the ramifications of tax reform are more clearly defined.

The Tax Reform Act of 1986 offsets the decreases in individual tax rates with increases in the total tax collected from the business segment. The effective tax rate for all corporations, despite a reduction in the top rate, is actually expected to rise 8.0 percent after the elimination of various deductions and credits. This effective increase in business taxes is expected to be a drag on business profits, especially in capital-intensive industries.

Percent of labor force unemployed

Metropolitan area	**Percent**
California	
Anaheim-Santa Ana	4.0%
Connecticut	
Hartford	3.3
New Britain	3.9
New Haven	3.7
Stamford	2.9
District of Columbia	
Washington	3.4
Florida	
Gainesville	3.2
Indiana	
Lafayette	3.8
Maine	
Portland	2.8
Massachusetts	
Boston	3.3
Lowell	3.9
Pittsfield	3.8
Worcester	3.6
Nebraska	
Lincoln	3.1
New Hampshire	
Nashua	3.5
New Jersey	
Middlesex-Somerset	3.9
Monmouth-Ocean	3.9
New York	
Poughkeepsie	3.8
North Carolina	
Raleigh-Durham	3.6
Pennsylvania	
Lancaster	3.6
Rhode Island	
Providence	3.6
South Dakota	
Rapid City	3.8
Sioux Falls	3.4
Vermont	
Burlington	3.2

Source: *Employment and Earnings,* Bureau of Labor Statistics, June 1986

Legislative and regulatory issues

In 1987, the foodservice industry will face a variety of legislative and regulatory challenges at the federal, state and local levels.

At the federal level. 1987 promises to be an important year for labor issues, particularly at the federal level. A proposal to raise the federal minimum wage to 50 percent of the average manufacturing wage will be introduced early in the next Congress. In addition, more and more legislation will propose that mandated employee benefits be paid by the employer.

In view of the deficit, Congress is also expected to look at ways to generate additional revenue, such as a value-added tax, a business transfer tax or an increase in the personal income tax. User fees for such services as United States Department of Agriculture (USDA) inspections may also be imposed, transferring the cost to business.

Fast food ingredient labeling legislation went nowhere in the 99th Congress. However, it is expected to be reintroduced in some form during the next Congressional session.

Other possible upcoming issues include

☐ restricted use of the polygraph
☐ federal tort reform to eliminate punitive damages and establish uniform standards for liability and
☐ alcohol warning labels on beverage containers.

At the state and local levels. California, Texas and New York have been the strongest advocates of mandatory ingredient disclosure in restaurant operations. Locally, some cities and towns have taken matters in their own hands. The San Francisco Board of Supervisors has passed an ordinance requiring San Francisco fast food establishments to make ingredient and nutrition information for menu items readily available to their customers. In Joliet, IL, foodservice establishments are required to post a sign listing the type of fat used in cooking. It is speculated that other localities may follow suit.

Other state and local issues include

☐ minimum wage increases
☐ smoking/non-smoking regulations, known as clean indoor air legislation
☐ packaging restrictions or taxes to curb litter and enhance sanitation
☐ extension of sales taxes to advertising
☐ tort law reform and
☐ dram shop legislation to protect servers.

The labor situation

The need for employees in foodservice occupations is intense. Although labor shortage problems vary by type of establishment and labor market, shortages are most acute among employers who rely heavily on teenagers.

One of the most important reasons for continuing concern about the labor supply, therefore, is the decline in the teenage population. Between 1985 and 1990, the number of teens 16 to 19 years of age is expected to decline by almost 7.0 percent. A low unemployment rate exacerbates the problem. Although the U.S. unemployment rate averaged 7.1 percent in June 1986, it ranged from a low of 2.9 percent in the Stamford, CT, metropolitan area to a high of 20.9 percent in the McAllen-Edinburg-Mission, TX, area. The unemployment rate was 4.0 percent or less in 24 metropolitan areas throughout the country.

3

Consumer lifestyle issues

The 1987 foodservice marketplace will be consumer driven. Consumer demands for convenience, quality, value and variety as well as their concern for nutrition are giving direction to new establishments as well as spurring repositioning by established operations.

Convenience. In recent years, convenience has become a top priority for consumers. Americans say they work more and have less leisure time. According to a Louis Harris poll sponsored by Phillip Morris, the amount of time Americans say they have for leisure declined by eight hours between 1973 and 1984. Moreover, the amount of leisure time varies among demographic groups, with those 65 years old and older having the most time and 30 to 49-year-olds having the least. Juggling careers and families means little time is left for leisure activities. Consequently, many consumers look for ways to "expand" their time to make room for their increased interest in the arts and various sporting and recreational activities.

Home-related activities. The expansion of home-oriented activities has contributed to the growth of take-out and home-delivered foods. According to a United Media Enterprises survey, eight of the 10 most popular leisure activities take place at home. In 1983, the number one pursuit was watching television. Since that time, such technological innovations as cable television, home computers/video games and videocassette recorders (VCRs) have expanded home entertainment options. In 1984, 11.0 percent of households owned a VCR. By 1985, the figure had risen to 19.0 percent.

As the number of households that own home entertainment technology rises, the need for meals requiring minimum preparation time will undoubtedly increase. Restaurateurs are responding by expanding take-out and home-delivery services. At the same time, convenience stores, grocery stores, gourmet shops and gas stations have added more extensive lines of take-out foods.

Quality and value. Today's more experienced customer has high standards for quality and is becoming more value conscious. According to a recent Gallup survey, the quality of food and service at an establishment determines whether consumers will make a return visit.

Quality is not the only influence on restaurant choices. At a time when consumers feel pinched for cash, they also look for value. On the one hand, consumers are interested in going where they can get the best deal, reflected in an increased use of promotions. CREST *Household Report* data reveal consumers used promotions on 11.1 percent of all occasions during the summer quarter of this year, a 7.0 percent increase over the same quarter of 1985.

On the other hand, there are occasions when consumers are willing to spend the extra money for a high-quality experience. The attitude on that occasion seems to be that price is no object if the quality is high. The popularity of pricey, superpremium ice creams is just one example of this phenomenon.

Health consciousness. Consumer awareness of health and nutrition remains high. Surveys show that at least one-half of the U.S. adult population claims
☐ to spend some time each week exercising
☐ to be concerned about the nutritional content of the foods they eat
☐ to restrict intake of foods high in fat, cholesterol, sugars and salt
☐ to consume foods high in fiber, calcium and complex carbohydrates
☐ to either drink moderately or not at all and
☐ to be concerned about drinking and driving.

This interest in health and nutrition is reflected in the marketplace. Cereal manufacturers are racing to increase fiber and reduce the sugar content of their products, and the public is buying more cereal than ever before. 1985 seafood consumption was at a record high—14.5 pounds per capita—and poultry consumption continues to grow steadily. Low-calorie beers are increasing their share of the beer market, and canned foods that are reduced in salt or sugar are selling well in an otherwise slug-

Items consumers are likely to try in restaurants

Item	Percent very likely to try
Fresh fruit	78%
Lean meats	64
Broiled/baked fish or seafood	63
Whole wheat breads, rolls or crackers	60
Steak or roast beef	58
Poultry without skin	47
Raw vegetable appetizer	45
Whole grain muffins	41
Vegetables seasoned with herbs or lemon juice only	36
Food cooked without salt	36
Regular soft drink	35
Fried fish/seafood	34
Low-fat cottage cheese	33
Cereal with low-fat or skim milk	33
Fried chicken	32
Reduced-calorie salad dressing	30
Diet soft drink	30
Caffeine-free soft drink	30
Whole grain pancakes/waffles	29
Caffeine-free coffee	28
Premium ice cream	28
Low-fat, low-calorie, fruit-based desserts	25
Sugar substitutes	25
Bagel/bread with low-fat cream cheese	24
Rich, gooey or chocolate dessert	22
Fruit ice/sorbet	22
Calorie-controlled entree	20
Low-cholesterol egg substitute	9

Source: *Consumer Nutrition Concerns and Restaurant Choices, Vol. I,* National Restaurant Association, 1986 gish area. Whole milk consumption continues to give way to low-fat and skim milk varieties, and reduced-calorie salad dressings and sauces are among the fastest growing products in their category.

Patrons are demanding similar choices in foodservice establishments. The National Restaurant Association's 1986 survey *Consumer Nutrition Concerns and Restaurant Choices* reveals that consumers say they are quite likely to try such non-traditional items as lean meats and poultry without skin in restaurants. The survey also reveals that restaurant patronage varies according to the degree of interest in nutrition. Diet and health-conscious consumers account for a relatively large proportion of occasions at upscale restaurants while a disproportionately large number of fast food occasions come from the less health-conscious, traditional consumer.

Diversity of taste. The popularity of specialty restaurants underscores consumer interest in different types of food. According to National Restaurant Association's *New Restaurant Concepts* study, more consumers patronized specialty restaurants during the first three months of 1986 than they did one year earlier. The concepts that made the biggest year-to-year gains were pizza delivery, barbecue and pasta. Consumers also displayed greater preference for some ethnic and regional cuisines, such as Asian fast food, Mexican-style chicken and Cajun-style cooking. Working women, 18 to 24-year-olds, college graduates and higher-income households were most likely to try specialty restaurants.

The influx of various ethnic cuisines into mainstream America has awakened a wide variety of tastes. Although the old standards—hamburgers, french fries and soft drinks—are still most popular, today's consumer wants more options. A recent Gallup survey shows 59.0 percent of consumers surveyed in 1986 say they like menus with a wide variety of selections. In contrast, just 44.0 percent were interested in varied menus one year earlier. Many of today's chefs are capitalizing on this desire by combining several cuisines to create dishes that will tempt the more adventuresome palates.

Patronage of the arts

Event	Percent patronizing 1980	 1984
Movies	75%	78%
Live performance of a play musical comedy pantomime	65	67
Live performance of popular singers, bands or rock groups	53	60
Live performance of the opera or musical theatre	25	35
Live performance of classical or symphonic music by orchestras, chamber groups or soloists	26	34
Live performance of ballet or modern, folk or ethnic dance	25	34

Source: *Americans and the Arts:* Louis Harris and Associates, Inc., 1984

A new look at demographics

4

Shifts in demographics are partly responsible for changes in consumer lifestyles, which over the long term influence consumer spending for restaurant meals. Some of the key demographic trends that will continue to affect the foodservice industry in 1987 are:

Mature market. Fifty-one million Americans were 55 years old or older in 1985, and by the year 2,000, some 59 million will fall into this age group. Because of

Weekly expenditures for food away from home

Consumer segment *Annual household income*	**Amount spent for food away from home**	**Percent of weekly food budget**
Under $5,000	$ 7.41	30%
$5,000–$9,999	9.27	26
$10,000–$14,999	14.29	30
$15,000–$19,999	18.35	33
$20,000–$29,999	23.59	37
$30,000–39,999	29.20	38
$40,000 and above	41.56	43
Household composition		
Single person(s)	$15.13	42%
Husband and wife only	21.28	38
Husband and wife		
☐ with oldest child under 6 years of age	20.73	32
☐ with oldest child between 6 and 7 years of age	29.06	33
☐ with oldest child over 18 years of age	28.85	31
Other husband and wife units	32.71	33
One parent and at least one child under 18 years of age	14.35	30

Weekly expenditures for food away from home

Age of household head	**Amount spent for food away from home**	**Percent of weekly food budget**
Under 25	$13.76	43%
25 to 34	21.39	39
35 to 44	26.99	36
45 to 54	28.60	36
55 to 64	20.44	33
65 to 74	15.55	32
Over 74	8.19	26

Source: *Consumer Expenditure Survey 1984;* Bureau of Labor Statistics, June 1986

Legal immigrants admitted to U.S. by region of birth, 1960–1984

	Percent of total immigration
1960–1969	
Europe	39%
Asia	12
Latin America	38
North America	10
Other	2
1970–1979	
Europe	19%
Asia	34
Latin America	41
North America	3
Other	3
1980–1984	
Europe	12%
Asia	48
Latin America	35
North America	2
Other	3

Source: U.S. Immigration and Naturalization Service, 1985

Changes in household composition, 1985–1995

	Number of households (in millions)		
	1985	**1995**	**Percent change**
Total households	**86.8**	**100.2**	**16%**
Family			
Married couple	50.3	54.9	9
Male head	2.3	2.9	26
Female head	10.2	11.9	17
Non-family			
Male head	10.2	13.6	33
Female head	14.0	16.9	21

Note: Projections based on Series B estimates
Source: U.S. Department of Commerce; Bureau of the Census, 1986

better medical care, financial planning and federal support programs, older Americans today are healthier, more active and more affluent than any other previous generation. According to the Conference Board, more than 50 percent of the nation's discretionary income is held by those 50 years old and older.

Consumer Expenditure Data, released by the Bureau of Labor Statistics, shows mature consumers have significantly increased their expenditures for restaurant meals.

Working mothers. It is no secret that the number of women in the work force has grown substantially over the past 15 years. Foodservice operators are also well aware of the effect this change has had on spending for restaurant meals. Although Bureau of Labor Statistics' projections suggest that the years when there were large increases in the number of women entering the labor force are behind us, the new shift is in the number of working women with children. Between 1980 and 1985, the number of married working mothers with preschoolers increased 22 percent. Moreover, two-thirds of married moms who work do so on a full-time basis.

The demands of juggling career and home life leave working women, especially working mothers, little time for home tasks. So convenience is a top priority, making take out and home delivery attractive options. National Restaurant Association's survey *The Take-Out Market* found that seven out of 10 of the respondents from households where the female head was employed full time said they purchased take-out foods more than twice a month.

Working women also seek variety from restaurants, and they are one of the driving forces behind the growth of specialty restaurants. National Restaurant Association research reveals working women were more likely to have patronized new restaurant concepts in the first three months of 1986 than any other demographic group.

Household composition. The composition of American households is changing. Divorces, rising numbers of young adults postponing or foregoing marriage and the increased desire of the elderly to maintain their own homes have spurred growth of non-traditional types of households. Projections from the Census Bureau suggest this trend will continue through 1995. Non-family households, headed by men, are expected to grow the fastest over the decade, increasing by 33 percent. Family households with a male head and no spouse will also expand rapidly. Households headed by females will grow at a slightly slower pace. The traditional, married-couple households will lag behind all other types—increasing by less than 10 percent by 1995.

What effect will these changes have on the foodservice industry? The growth of single-person households could mean a boost for operators because singles dine out often and spend a large portion of their food budgets on meals and snacks away from home. The increasing number of single-parent households, most of which are headed by women with relatively low incomes, suggest operators will need to offer convenience at reasonable prices to attract this segment.

Immigration. The United States continues to welcome new immigrants each year. Europeans, however, are no longer the major newcomers; today's immigrants are much more likely to be of Latin American or Asian origin. The majority of these newcomers reside in large metropolitan areas. In 1984, 193,500 Hispanics legally entered the U.S. as did 256,300 Asians.

How is the foodservice industry affected by the influx of new immigrants? The question is a difficult one to answer because little is known about the restaurant attitudes and behavior of these groups. It is clear, however, that their growing presence has affected American tastes. More consumers are seeking out the fiery tastes of Latin cuisine and the exotic flavors of Asian dishes, thus spurring growth of specialty ethnic restaurants and the consumption of unfamiliar fruits and vegetables.

Industry trends

Faced with an increasingly competitive environment, foodservice operators are exploring different ways to respond to consumer demands. To gain that all-important competitive edge, operators are revamping menus, entering new markets, upgrading decors, tightening operating procedures, offering promotions and developing joint-venture projects.

Food and menu trends

Keeping up with what's hot and what's not is harder than ever. For today's consumer, variety and diversity are critical. Consequently, some operators are establishing specialty niches that cater to specific tastes while others are adding or revamping menu items to accommodate consumer demands. The changes in consumer attitudes that are predicted to have the greatest long-term effect on the industry include grazing, interest in ethnic cuisines and heightened awareness of health and nutrition.

Grazing has become a well-established eating pattern. Many consumers continue to opt for a variety of items rather than traditional fare. This is especially common among young consumers, who want the chance to sample.

Spanish tapas bars and menus have added a new dimension to grazing by offering a variety of elegant "finger foods." While some specialty restaurants have built entire concepts around tapas, others have simply added appetizers or increased their portion-size options to broaden their consumer appeal.

American palates have developed a taste for ethnic cuisines, especially those that specialize in high-intensity and/or unusual flavors. Mexican, Asian, Italian and Cajun cooking is available virtually everywhere. Caribbean cuisine, which is influenced by many countries, is also gaining in popularity. Moreover, many operators are building menus around regional tastes and ingredients to offer patrons a unique dining experience that is different from that offered by the competition.

Health and nutrition remain top concerns with consumers. Operators are responding to consumer interest in fitness and nutrition. A 1986 National Restaurant Association survey found that 38 percent of operators surveyed either feature a nutrition promotion or plan to do so in the future. The majority (73 percent) are willing to alter preparation methods, when requested, to satisfy consumers. And it is common to find menu substitutes, such as sugar substitutes, margarine and fresh fruit.

Operations built solely around diet, health or nutrition do not seem to be as successful as those that incorporate healthful choices into their concepts. Patrons seem satisfied to have nutritious options available rather than to have an entire menu focus on health and nutrition. Most people prefer the simple reassurance that a particular entree is a better choice, nutritionally, rather than quantitative data on nutrients (calories, fat, cholesterol, etc.). Given the recent concern about fats, it is likely that in 1987 more consumers will want to know the type of fat (i.e., olive oil, butter, margarine, etc.) used during food preparation. This information can easily be incorporated into menu descriptions.

A parallel trend is the desire for fresh foods. In response, on-premises baking facilities and specialty bake shops have been added to tempt consumers with freshly made muffins, breads and pastries.

Interest in healthy foods, however, has not diminished America's sweet tooth. For example, superpremium ice cream and frozen custard places recorded strong growth over the past year.

As concern over drunk driving has mounted, per capita consumption of alcohol has declined. Operators facing reduced profits from sliding liquor sales are fighting back. Some have begun aggressively promoting specialty non-alcoholic beverage lines or bottled waters while others are placing a new emphasis on foodservice. For example, luxury hotels now promote a selection of exotic teas and offer them with pastries and sandwiches in the late afternoon as an alternative to the cocktail hour.

There is also a renewed interest in foods and concepts from the past. Diners, patterned after those of the 30s, 40s and 50s, are making a big play for consumer food dollars. Some are rewaking tastes for such classics as meat loaf while others have updated menus to cater to new tastes. The hot dog is also making a comeback. It now comes complete with a selection of gourmet toppings.

Expansion

According to R.S. Means, a construction consulting firm, the building cost per square foot for an average restaurant has increased 67 percent since 1980. This increase, coupled with fewer prime sites, has operators rethinking expansion strategies. Alternative options for reaching and/or expanding markets are being explored. Some of the most common methods are: mobile units, double-drive-thru windows, drive-thru-only units and non-traditional sites, such as military bases, recreation centers, campus food courts and hotels/motels. In general, because construction costs for these units are much lower than for freestanding units, they provide a better return on investment. Along the same line, some companies are buying up smaller chains and renovating their units to take advantage of prime real estate locations.

Joint ventures offer operators another means of penetrating new markets. Recent projects have joined fast food outlets with convenience stores and combined hotels/motels with freestanding restaurants.

Foreign markets remain a viable expansion alternative for larger chains. Although

Percent of consumers who have patronized specialty restaurants*

	1985	1986
Bakery items	**	49%
Pizza delivery	40%	47
Barbecue	34	47
Pasta	35	46
Hot dogs	**	42
Premium, hand-dipped ice cream	32	34
Gourmet hamburgers	33	34
Diet or lite menu items	26	29
Asian fast food	25	29
Freshly baked cookies	29	26
Gourmet take out	18	21
Mexican-style chicken	17	20
Spicy, Cajun-style cooking	14	18
Display cooking in front of patrons	12	13
Mesquite grilling	5	9
Sushi or sashimi	7	5

*During first three months of the year

**Not asked in 1985 survey

Source: *Consumer Preferences for New Restaurant Concepts,* National Restaurant Association, July 1986

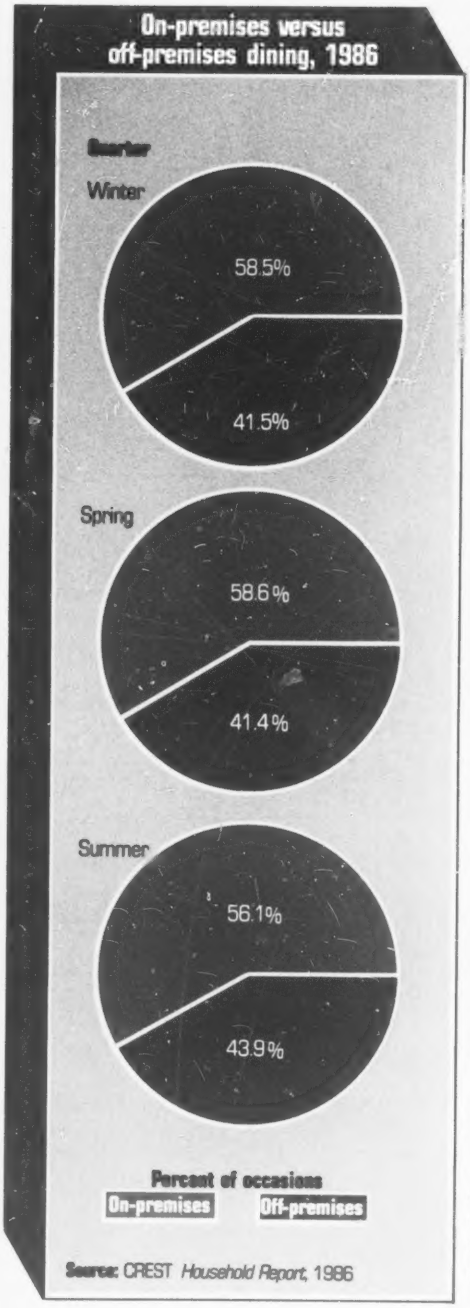
Percent of occasions on which promotions were used, 1982–1985

Year	Total	Coupon	Special event	Price off	Other
1982	10.1%	5.1%	2.0%	1.0%	2.1%
1983	10.6	5.1	2.2	1.1	2.1
1984	10.6	4.6	2.5	1.2	2.2
1985	11.3	4.8	2.7	1.4	2.4

Source: CREST *Annual Household Report,* December-November 1982–1985 operators of hamburger and chicken chains are the most likely to start up operations in foreign countries, pizza chains have stepped up activity. The highest concentration of units is still found in Canada and Japan, but more attention is being paid to other Pacific Basin countries, including the People's Republic of China.

Changing consumer tastes have spurred buying and selling within the industry. Companies are seeking out units or chains that offer a concept that is different from their own to safeguard against sudden shifts in consumer tastes. There is also a complementary trend to shed less profitable units in order to concentrate efforts on a single concept.

Other expansion activity centers around improving position within the same segment. Companies in the contract feeding segment have been particularly active in this area.


On-premises versus off-premises dining, 1986

Source: CREST *Household Report*, 1986

Repositioning

To renew waned consumer interest, operators are repositioning restaurants, especially through design and menu changes. Operators are becoming more willing to create an atmosphere that reflects the quality of food and service offered to patrons. Contemporary restaurant design involves bright, vivid colors that create an air of excitement and such classic materials as marble, wood and brass to attract today's sophisticated patron.

Other operators are shying away from upscale, sophisticated designs, choosing instead to create a casual environment in which patrons can relax and enjoy one another's company.

Along this same vein, menus are being revamped and expanded to appeal to the diverse needs of the population. Steakhouse chains have added chicken and fish, fast food burger places now sell chicken and salads, and ethnic dishes are found on all types of menus.

Another common repositioning strategy is to add entertainment, whether by installing dance floors, videos or display kitchens or by hiring disc jockeys or broadening the responsibilities of waitstaff. Some operators have chosen to let the patrons provide the entertainment by building establishments in several tiers or providing an upper level that overlooks the main eating and drinking area to encourage people-watching.

Advertising and promotions

Foodservice operators doing business in today's fiercely competitive environment are placing more emphasis on advertising and promotions. According to the Television Bureau of Advertising, advertising expenditures have risen sharply in recent years, topping $560 million during the first half of this year—a 13.0 percent increase over the same period in 1985. The battle over market share has led to some aggressive advertising campaigns, especially in the fast food segment, with ads comparing food quality, preparation methods and menu variety.

The foodservice industry is pouring more money and creative energy into promotional campaigns. According to CREST* data, consumers are responding. In the summer quarter of 1986, 11.1 percent of all restaurant occasions involved a promotion—7.0 percent more than the same time period in 1985.

Although coupons remain a common choice, other types of promotions are gaining in importance. Special-event merchandising is one example. Summer quarter 1986 CREST results indicate consumers used special event promotions on nearly 10 percent more occasions than they did one year earlier. Themes include new or special menu items, holidays and local and national sports events.

In addition, establishments are working to improve their public image by joining forces with charitable organizations to raise money for worthy causes and mounting anti-drunk-driving campaigns.

Another method used to attract patrons is through premiums. Glasses, T-shirts and other merchandise that carry logos of local sports teams and movie or cartoon characters are the usual focal points of these campaigns. This is a common strategy used to attract families by aiming the premium at children and/or tying it to a kids' meal deal.

**CREST is the acronym for Consumer Reports on Eating Share Trends, a survey designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.*

Take out/home delivery

Options for take-out and home-delivered foods have expanded rapidly over the last year as all segments of the industry try to tap this potentially lucrative market. Consumers can purchase an array of items, such as pizza, chicken, soups, salads and Asian and Mexican foods, for take out or delivery. Central computer facilities, mobile units and drive-thru-only units are helping operators meet the growing demand. At the same time, competition from grocery and convenience stores is intensifying as they expand offerings and undertake aggressive marketing campaigns.

Operations

Foodservice operators are working in a complex environment. In order to meet the challenges they face, they are working to improve day to-day operations. Moreover, in the face of a tightening labor market, greater emphasis is being placed on developing effective recruiting and training programs.

Recruiting practices are becoming more sophisticated because foodservice operators must compete with other industries for a smaller supply of young workers. Advertisements for jobs now appear in schools, in local newspapers, on tray liners and on table tents as well as on radio and television. Other methods being used to attract workers include raising starting wages above the minimum wage and providing transportation to suburban locations for urban youths. Additionally, companies are instituting programs to recruit and train older adults.

Training methods have also come under closer scrutiny as operators look for ways to cut turnover rates. Companies are offering special classes for long-time employees to update their knowledge of both company practices and the industry as a whole. Managers are also undergoing training to help them be more attentive to employee needs and priorities. As efforts to retain current employees intensify, operators will devote greater resources to training, especially for unit managers who hold the key to reduced turnover in chain operations.

Operational procedures are being streamlined to help reduce costs. Computers are becoming increasingly common because they afford operators more control. They help keep them in tune with every aspect of the operation from sales and profits to inventory and scheduling. Recent innovations include hand-held terminals for waitstaff and computerized kitchen equipment to help streamline food preparation procedures.

Blurring of segments

Many of the current changes taking place within the industry are blurring lines between traditional segments. Menus of burger and chicken fast food chains have become more alike. Recent design and menu alterations by steakhouse chains have made them more like casual dining places. Interest in ethnic cuisines has prompted operators of all types to experiment with Mexican, Italian, Cajun and Asian dishes. Furthermore, home-delivered and take-out meals are offered at establishments in all segments.

Operators are also facing increased competition from convenience stores, gas stations and grocery stores. Expanded food lines and aggressive marketing have firmly established these outlets in the battle for the consumer's away-from-home food dollar.

These shifts have changed the nature of competition within the foodservice industry. It is no longer enough to be the best in a given segment. Operations must also be able to compete effectively across segments.

Nutrition issues and outlook

6

Over the past three years, consumers have sustained their interest in nutrition, in both at-home and away-from-home situations. The focus on preventive health continues to dominate nutrition concerns in research and media reports. Interest in diet and health, coupled with the growing interest in food and cooking as a hobby, makes for a highly sophisticated restaurant patron who will be more demanding.

Nutritionally speaking, the later part of the 80s appears to be the era of the individual nutrient. New discoveries are revealing the effects of particular substances on disease development. The discovery of the relationship between calcium deficiency and osteoporosis has increased public awareness and appreciation of dairy products. Identification of fiber and vitamins A and C as potential cancer-prevention agents has motivated recommendations to eat more fruits and vegetables, particularly yellow-orange and dark-green leafy vegetables and citrus fruits as well as whole grain breads, rolls, cereals and muffins.

The war against fat continues to gain momentum. Not only has a high-fat diet been implicated as a risk for developing certain cancers, but it is also strongly associated with the development of heart disease. As a result, there may be more demand for lower fat foods as well as for information on the type of fat (i.e., butter, margarine, vegetable oil, etc.) used during food preparation.

In response, the meat industry is heavily promoting lean beef. And, in an effort to assist consumers with the identification of lean cuts, the branding concept, which has dominated retail chicken sales, may soon penetrate the beef market. Also, there has been a push among consumer advocates to change the name of the USDA "good" grade of beef to "select" in order to give this leaner grade a more positive identification.

It is no longer enough to be the best in a given segment. Operations must also be able to compete effectively across segments.

Seafood and fish will benefit from concern over high-fat diets. These products are low in fats and the fats they contain—omega-3 fatty acids—tend to be useful in reducing blood cholesterol levels.

Nutrition awareness is also at the root of the fast food labeling issue. Most observers agree that the demand for ingredient disclosure was merely a prelude to a call for nutrition information in fast food outlets. Consumer activists are sure to argue that concerned patrons would benefit from quantitative information on calories, fat, cholesterol, sodium and other nutrients. In short, although both the Food and Drug Administration (FDA) and USDA rejected petitions to require ingredient disclosure in fast food outlets, the issue is not dead.

A similar situation prevails over the sulfite issue. Although FDA has banned the use of sulfites on fruits and vegetables to be consumed in the raw state, sulfites will continue to haunt the foodservice industry. Legally, wholesalers can continue to add sulfites to produce, such as peeled potatoes, that will not be consumed in the raw state. As of Jan. 9, 1987, any food containing sulfites in a quantity of 10 parts per million or more must identify the presence of sulfites on the label. Therefore, the potential remains for foodservice operators to receive sulfite products.

Eating Places

Eating places, which account for about two-thirds of total foodservice sales, posted modest growth in 1986, with sales topping $119 billion. The forecast for 1987 shows this segment will continue to expand, although at a slightly slower pace. Total eating place sales are expected to reach $127.1 billion next year, a 6.8 percent increase over 1986. After adjusting for menu price inflation, this represents a 2.8 percent real growth rate—slightly below the 3.3 percent increase recorded this year. Eating places will outperform the overall industry—2.8 percent real growth versus 2.4 percent.

Several economic factors, which dampened growth in 1986, will continue to influence eating place sales during the upcoming year. Overall, consumer confidence has declined. During 1986, consumer confidence ran below 1985 levels, declining steadily since early in the year. Moreover, real disposable incomes have been rising at a sluggish pace. Consequently, consumers are becoming more cautious. This caution has slowed the rate of increase in consumer spending for restaurant meals. CREST data reveal traffic counts at the nation's restaurants edged up just 1.9 percent over the first eight months of the year in comparison to the same period in 1985. Quickservice restaurants have registered modest gains; traffic was up 4.9 percent. However, customer counts at midscale and upscale restaurants are up a mere 0.9 and 0.2 percent, respectively. A similar pattern is expected to emerge in the year ahead. In addition, as consumers become more cash conscious, they will be more inclined to look for deals which may offer better value for their money.

Along with these economic factors, trends within the industry will affect eating place sales growth in 1987. During 1986, operators built new units at a rapid pace. At the same time, the rate of growth in consumer spending for restaurant meals slowed. Consequently, there are now more units vying for consumer dollars, resulting in intensified competition and, in some cases, lower profit margins. Although unit growth is expected to slow in the upcoming year, this competitive climate should prevail, leading to stepped-up merger activity, greater interest in joint ventures, even bigger advertising budgets and increased use of promotions. Overall, eating place operators will be challenged to explore creative methods of reaching new customers in a maturing marketplace.

Fast food continues to lead the way

Limited menu restaurants (primarily fast food places) will account for nearly 40 percent of total industry sales growth in 1987. Fast food sales are expected to climb 7.5 percent next year to $54.2 billion. Real sales, after adjusting for menu price inflation, should rise 3.5 percent—above the 2.4 percent increase forecast for the overall industry.

Essentially, fast food sales are driven by convenience and location. Consumer desire for convenience will be a primary force behind the growth of this segment in the year ahead. The fast food sector's prime customers have moved into their 20s and 30s. Working women and two-career families have led the way in demanding convenience. Limited menu establishments are in a unique position to cater to this demand because they offer quick meals for both eat-in and take-out service. Furthermore, many operators are expanding into the home-delivery market. Although convenience stores and supermarkets are vying for a share of the market by expanding their offerings, fast food places should continue to hold their ground. Convenient locations, well-established menu items, speedy service, expanded menus, heavy promotional use and dominance in advertising should help keep fast food restaurants uppermost in the minds of convenience-conscious consumers.

However, operators will be looking for new ways to boost customer counts and sales. By upgrading decors and developing new products, they will continue to bolster interest in fast food among an older, more discriminating customer base. In addition, there is renewed emphasis on both food and service quality to improve an establishment's competitive position.

Construction of new units is expected to slow as the saturation point is reached in some markets. Therefore, other expansion options will be looked at more closely. More mobile units are expected to take to the road in 1987 and double-drive-thru windows and drive-thru-only units will be more commonplace. Overall, fast food operators will need to work harder in a tougher operating environment to capture market share and generate significant growth in the upcoming year.

Overall, fast food operators will need to work harder in a tougher operating environment to capture market share and generate significant growth in the upcoming year.

Restaurant sales to climb 6.3 percent

Restaurant and lunchroom sales are forecast to climb 6.3 percent in 1987, reaching $66.1 billion. In inflation-adjusted dollars, this represents a 2.3 percent increase.

The Tax Reform Act of 1986 may contribute to relatively slow growth in this segment. Because of the lowering of the cap on business meal deductibility from 100 to 80 percent, some operators may see a cutback in business meals.

Consumers faced with high amounts of debt and cash shortages as well as minimal wage and salary increases will be more selective when dining out. They will look for restaurants that offer varied menus, high-quality food and service, price/value and an engaging atmosphere. Meeting these needs is especially important in the restaurant and lunchroom segment because word-of-mouth communication is the primary way consumers learn about an establishment.

Take out and home delivery will play a bigger role in this segment in 1987. Because these options require different operating procedures than those needed for in-house dining, special attention will be required to make the venture profitable.

Strong sales at ice cream and frozen custard stands

Ice cream and frozen custard stands will record the second best overall performance among eating places in 1987. Sales are forecast to reach $1.6 billion, a 7.2 percent increase over 1986. Inflation-adjusted sales should climb 3.2 percent.

Eating place sales: $127.1 billion

	1984 Estimated F&B sales ($000)	1986 Projected F&B sales ($000)	1987 Projected F&B sales ($000)	1986–1987 Percent change	1986–1987 Percent real growth change	1984–1987 Compound annual growth rate
Total eating places	**$104,520,854**	**$119,021,154**	**$127,114,592**	**6.8%**	**2.8%**	**6.7%**
Restaurants, lunchrooms	55,111,582	62,221,912	66,141,892	6.3	2.3	6.3
Limited menu restaurants, refreshment places	43,719,215	50,474,707	54,249,571	7.5	3.5	7.5
Commercial cafeterias	3,165,807	3,456,756	3,664,161	6.0	2.0	5.0
Social caterers	1,240,801	1,390,109	1,474,906	6.1	2.1	5.9
Ice cream, frozen custard stands	1,283,449	1,477,670	1,584,062	7.2	3.2	7.3

Superpremium ice cream, frozen yogurt and new products are fueling growth in this segment.

Cafeteria growth expected to slow

Sales at commercial cafeterias are forecast to advance 6.0 percent next year, the smallest projected increase across all eating place segments. Total sales will reach $3.7 billion, up slightly from this year's $3.5 billion. Real growth in 1987 is expected to be 2.0 percent.

The growth this segment has enjoyed will be somewhat restricted in the year ahead. The customer base for cafeterias has been among the hardest hit by tougher economic conditions, especially those in southern oil-producing states. To counter sluggish business, cafeterias will continue to upgrade units and expand menu offerings. Management techniques will be under review to find ways to improve service quality and overall efficiency. Marketing efforts will be focused on widening the customer base.

Sales of social caterers to advance 6.1 percent

Social caterers have shown some signs of revival despite serious competition from restaurants and hotels. Sales are expected to total $1.5 billion—a 6.1 percent increase. Real growth is projected to be 2.1 percent. However, social caterers face some difficulties in the year ahead because of passage of the tax reform bill. The 80-percent limit on business meal deductibility may cause businesses to cut back on entertainment budgets.

Bars and taverns

Food and drink sales for bars and taverns will reach nearly $8.8 billion in 1987, up 3.0 percent from 1986 for the strongest increase in several years. Still, real sales will be off 1.0 percent as the effects of increased alcohol awareness and drunk driving campaigns are felt throughout the country. No further dramatic declines for this sector are expected in the near future.

8

Major market outlook for 1987

The statistical tables in this section provide an in-depth look at 1987 sales projections for nine major foodservice segments. The eating place segment, not included here, is reviewed in the previous section. A comprehensive one-page table for total 1987 food and drink sales for the foodservice industry follows.

Lodging place foodservice

☐ Tax reform legislation, which retained 100 percent deductibility for business meals with a speaker, should boost convention business.

☐ Occupancy rates are expected to remain relatively flat and may dip in some markets. Lodging restaurants catering primarily to guests may see only minimal growth.

☐ All of the growth in this market is predicted to occur in the hotel group.

Transportation foodservice

☐ Airline traffic should continue to grow, and further consolidation within the industry is expected to increase fares. The sales gain for the airline industry, however, will be less than traffic growth because of changes in food offerings by the airlines.

☐ Foodservice sales on cruise lines are expected to register strong gains.

Military foodservice

☐ More competitive pricing and improved foodservice management and preparation

Lodging place sales: $12.3 billion

	($000)			1986–1987 Percent change	1986–1987 Percent real growth change	1984–1987 Compound annual growth rate
	1984	1986	1987			
Total lodging places	**$10,026,181**	**$11,479,511**	**$12,270,597**	**6.9%**	**2.9%**	**7.0%**
Hotel restaurants	8,109,688	9,468,032	10,202,692	7.8	3.8	8.0
Motor hotel restaurants	726,193	767,394	792,718	3.3	−0.7	3.0
Motel restaurants	1,190,279	1,244,085	1,275,187	2.5	−1.5	2.3

Transportation foodservice sales: $1.9 billion

	($000)			1986–1987 Percent change	1986–1987 Percent real growth change	1984–1987 Compound annual growth rate
	1984	1986	1987			
Total transportation foodservice	**$1,511,070**	**$1,781,064**	**$1,915,241**	**7.5%**	**4.1%**	**8.2%**
Contractors, in-transit feeding commercial airlines	672,431	792,840	853,889	7.7	4.3	8.3
Transportation*	838,639	988,224	1,061,352	7.4	4.0	8.2

*Includes sales on airlines, passenger/cargo liners and railroads

Military foodservice sales: $1.0 billion

	($000)			1986–1987 Percent change	1986–1987 Percent real growth change	1984–1987 Compound annual growth rate
	1984	1986	1987			
Total military foodservice*	**$ 826,557**	**$ 946,026**	**$1,008,158**	**6.6%**	**2.6%**	**6.8%**
Officers & NCO clubs ("Open Mess")	546,242	625,977	666,666	6.5	2.5	6.9
Military exchange foodservice	280,315	320,049	341,492	6.7	2.7	6.8

*Continental U.S. only

techniques should promote growth.

☐ An increasing number of military retirees will also contribute to the expansion of this segment.

Employee foodservice

☐ Food contractors should benefit from higher employment.

☐ Although higher employment may increase demand, contractors will face tougher competition in a more cost-conscious operating environment.

☐ Institutional foodservice sales in the employee foodservice category, which includes meal and snack sales for industrial and commercial organizations, seagoing ships and inland waterway vessels, may face stiffer competition from contractors.

☐ The outlook for this segment may change depending on how businesses react to tax reform legislation.

Health care foodservice

☐ Rising health care costs and shorter patient stays should contribute to the shrinking of the hospital foodservice segment.

☐ A larger number of older Americans will create more opportunities in the nursing home segment for both contractors and those who operate their own foodservice facilities.

Educational foodservice

☐ Further declines in enrollment at private and public colleges and universities will contribute to the slow growth in this area. On the other hand, enrollment increase in grades K–8 will help stimulate growth at primary and secondary schools.

☐ Contractors should outperform institutional feeders in all segments because of better cost-control measures.

Recreational foodservice

☐ Foodservice sales at recreation and sports centers are expected to remain relatively stable.

☐ Attendance at spectator sports is expected to hold steady.

☐ Clubs may suffer somewhat from the removal of the 100 percent business meal deductibility.

Other foodservice

☐ Retail hosts should make strong sales gains in 1987, fueled by expansion of foodservice offerings at convenience stores, grocery stores and gas stations. This growth will likely offset declines in department, variety and drug store feeding.

☐ Mobile caterers should post a healthy performance as employment in the construction industry is expected to remain relatively strong. Some growth will likely come from the recreational market as well.

☐ Vending and non-store retailers will continue to explore new markets to stimulate growth. This group may also benefit from higher employment levels in the manufacturing sector.

☐ Community centers will probably suffer another year of decline because of further cuts in funding for public and community projects.

Employee foodservice sales: $6.1 billion

	($000)			1986–1987 Percent change	1986–1987 Percent real growth change	1984–1987 Compound annual growth rate
	1984	1986	1987			
Total employee foodservice	**$ 5,245,421**	**$ 5,776,710**	**$ 6,065,607**	**5.0%**	**1.0%**	**4.3%**
Food contractors						
Manufacturing & industrial plants	2,616,415	2,811,218	2,948,988	4.9	0.9	4.1
Commercial & office buildings	825,007	951,623	1,018,188	7.1	3.1	7.3
*Institutional employee foodservice**	1,804,029	2,013,869	2,098,431	4.2	0.2	3.3

*Includes sales for industrial and commercial organizations, seagoing ships and inland waterway vessels

Health care foodservice sales: $12.1 billion

	($000)			1986–1987 Percent change	1986–1987 Percent real growth change	1984–1987 Compound annual growth rate
	1984	1986	1987			
Total health care foodservice	**$11,483,875**	**$11,764,710**	**$12,062,603**	**2.5%**	**−1.4%**	**1.7%**
Contractors in hospitals & nursing homes	1,105,892	1,255,506	1,342,136	6.9	2.9	6.7
Hospitals*	7,391,326	7,229,138	7,243,597	0.2	−3.8	−0.7
Nursing homes	2,986,657	3,280,066	3,476,870	6.0	2.2	5.2

*Includes voluntary and proprietary hospitals; long-term general, TB, mental hospitals; and sales or commercial equivalent to employees in state and local short-term hospitals and federal hospitals

Educational foodservice sales: $9.3 billion

	($000)			1986–1987 Percent change	*1986–1987 Percent real growth change	1984–1987 Compound annual growth rate
	1984	1986	1987			
Total educational feeding	**$ 8,394,845**	**$ 8,902,156**	**$ 9,285,003**	**4.3%**	**−0.1%**	**4.3%**
Colleges & universities						
Contractors	$ 1,812,383	$ 1,847,716	$ 1,964,122	6.3%	1.5%	6.8%
Institutional	2,968,967	3,091,892	3,168,131	2.5	−2.3	2.2
Subtotal	**$ 4,781,350**	**$ 4,939,608**	**$ 5,132,253**	**3.9%**	**−0.8%**	**2.4%**
Primary & secondary schools						
Contractors	$ 833,066	$ 945,771	$ 1,011,029	6.9%	2.9%	6.7%
Institutional	2,780,429	3,016,777	3,141,721	4.1	0.1	4.2
Subtotal	**$ 3,613,495**	**$ 3,962,548**	**$ 4,152,750**	**4.8%**	**0.8%**	**4.7%**

Recreational foodservice sales: $5.5 billion

	($000)			1986–1987 Percent change	1986–1987 Percent real growth change	1984–1987 Compound annual growth rate
	1984	1986	1987			
Total recreational foodservice	**$4,737,734**	**$5,254,998**	**$5,527,346**	**5.2%**	**1.2%**	**5.3%**
Recreation & sports centers						
Contractors	1,241,555	1,393,146	1,479,521	6.2%	2.2%	6.0%
Non-contractors[1]	1,905,961	2,116,976	2,241,878	5.9	1.9	5.6
Subtotal	**$3,147,516**	**$3,510,122**	**$3,721,399**	**6.0%**	**2.0%**	**5.7%**
Clubs[2], sporting and recreational camps	1,590,218	1,744,876	1,805,947	3.5%	−0.5%	4.3%

[1] Includes sales at drive-in movies, bowling lanes and recreational and sports centers

[2] A proportion of food and beverage sales in clubs is business-related

Other foodservice sales

	($000)			1986–1987 Percent change	1986–1987 Percent real growth change	1984–1987 Compound annual growth rate
	1984	1986	1987			
Retail hosts	$5,394,529	$7,084,721	$8,062,412	13.8%	9.8%	14.3%
Mobile caterers	588,430	683,153	730,974	7.0	3.0	7.5
Vending & non-store retailers*	3,667,828	4,036,078	4,282,279	6.1	2.1	5.3
Community centers	400,798	406,430	416,997	2.6	−0.8	1.3

*Includes sales of hot food, sandwiches, pastries, coffee and other hot beverages

The foodservice industry—food and drink sales projected to 1987

	1984 Estimated F&D sales ($000)	1986 Projected F&D sales ($000)	1987 Projected F&D sales ($000)	1986–1987 Percent change	1986–1987 Percent real growth change	1984–1987 Compound annual growth rate
GROUP I—Commercial Foodservice[1]						
Eating places						
Restaurants, lunchrooms	$ 55,111,582	$ 62,221,912	$ 66,141,892	6.3%	2.3%	6.3%
Limited menu restaurants, refreshment places	43,719,215	50,474,707	54,249,571	7.5	3.5	7.5
Commercial cafeterias	3,165,807	3,456,756	3,664,161	6.0	2.0	5.0
Social caterers	1,240,801	1,390,109	1,474,906	6.1	2.1	5.9
Ice cream, frozen custard stands	1,283,449	1,477,670	1,584,062	7.2	3.2	7.3
Total eating places	$104,520,854	$119,021,154	$127,114,592	6.8%	2.8%	6.7%
Bars/taverns	8,254,928	8,502,047	8,757,108	3.0	−1.0	2.0
Total eating & drinking places	$112,775,782[2]	$127,523,201	$135,871,700	6.5%	2.5%	6.4%
Food contractors						
Manufacturing & industrial plants	$ 2,616,415	$ 2,811,218	$ 2,948,968	4.9%	0.9%	4.1%
Commercial & office buildings	825,007	951,623	1,019,188	7.1	3.1	7.3
Hospitals & nursing homes	1,105,892	1,255,506	1,342,136	6.9	2.9	6.7
Colleges & universities	1,612,363	1,847,716	1,964,122	6.3	1.5	6.8
Primary & secondary schools	833,066	945,771	1,011,029	6.9	2.9	6.7
In-transit feeding (airlines)	672,431	792,840	853,889	7.7	4.3	8.3
Recreation & sports centers	1,241,555	1,393,146	1,479,521	6.2	2.2	6.0
Total food contractors	$ 8,906,729	$ 9,997,820	$ 10,618,853	6.2%	2.1%	6.0%
Lodging places						
Hotel restaurants	$ 8,109,689	$ 9,468,032	$ 10,202,692	7.8%	3.8%	8.0%
Motor hotel restaurants	726,193	767,394	792,718	3.3	−0.7	3.0
Motel restaurants	1,190,279	1,244,085	1,275,187	2.5	−1.5	2.3
Total lodging places	$ 10,026,161	$ 11,479,511	$ 12,270,597	6.9%	2.9%	7.0%
Retail host restaurants[3]	$ 5,394,529	$ 7,084,721	$ 8,062,412	13.8%	9.8%	14.3%
Recreation & sports[4]	1,905,961	2,116,976	2,241,878	5.9	1.9	5.6
Mobile caterers	588,430	683,153	730,974	7.0	3.0	7.5
Vending & non-store retailers[5]	3,667,828	4,036,078	4,282,279	6.1	2.1	5.3
TOTAL GROUP I	**$143,265,420**	**$162,921,460**	**$174,078,693**	**6.8%**	**2.8%**	**6.7%**
GROUP II—Institutional Foodservice—Business, Educational, Government or Institutional Organizations That Operate Their Own Foodservice						
Employee feeding[6]	1,904,029	$ 2,013,869	$ 2,098,451	4.2%	0.2%	3.3%
Public & parochial elementary, secondary schools	2,780,429	3,016,777	3,141,721	4.1	0.1	4.2
Colleges & universities	2,968,967	3,091,892	3,168,131	2.5	−2.3	2.2
Transportation	838,639	988,224	1,061,352	7.4	4.0	8.2
Hospitals[7]	7,391,326	7,229,138	7,243,597	0.2	−3.8	−0.7
Nursing homes, homes for aged, blind, orphans, mentally & physically handicapped[8]	2,986,657	3,280,066	3,476,870	6.0	2.2	5.2
Clubs, sporting & recreational camps	1,590,218	1,744,876	1,805,947	3.5	−0.5	4.3
Community centers	400,798	406,430	416,997	2.6	−0.8	1.3
TOTAL GROUP II	**$ 20,861,063**	**$ 21,771,272**	**$ 22,413,066**	**2.9%**	**−1.1%**	**2.4%**
TOTAL GROUP I & II	**$164,126,483**	**$184,692,732**	**$196,491,759**	**6.4%**	**2.4%**	**6.2%**
GROUP III—Military Foodservice[9]						
Officers & NCO clubs ("Open Mess")	$ 546,242	$ 625,977	$ 666,666	6.5%	2.5%	6.9%
Foodservice—military exchanges	280,315	320,049	341,492	6.7	2.7	6.8
TOTAL GROUP III	**$ 826,557**	**$ 946,026**	**1,008,158**	**6.6%**	**2.6%**	**6.8%**
GRAND TOTAL	**$164,953,040**	**$185,638,758**	**$197,499,917**	**6.4%**	**2.4%**	**6.2%**

Footnotes:

1. Data are given only for establishments with payroll.
2. Food and drink sales for non-payroll establishments totaled $3,206,617,000 in 1984.
3. Includes drug and proprietary store restaurants, general merchandise store restaurants, variety store restaurants, food store restaurants, grocery store restaurants, gasoline service station restaurants and miscellaneous retailers.
4. Includes drive-in movies, bowling lanes, recreation and sport centers.
5. Includes sales of hot food, sandwiches, pastries, coffee and other hot beverages.
6. Includes industrial and commercial organizations, seagoing and inland waterway vessels.
7. Includes voluntary and proprietary hospitals: long-term general, TB, mental hospitals; and sales or commercial equivalent to employees in state and local short-term hospitals and federal hospitals.
8. Sales (commercial equivalent) calculated for nursing homes and homes for the aged only. All others in this grouping make no charge for food served either in cash or in kind.
9. Continental U.S. only.

1987 food and drink purchases

Food and drink purchases for the foodservice industry are forecast to reach $77.9 billion in 1987. Purchases in the **Commercial Foodservice Group,** which account for 74.7 percent of the total, are estimated to equal $58.2 billion.

Highlights for 1987 food and drink purchases

☐ **Eating places,** which comprise the largest component of the Commercial Foodservice Group, are forecast to record food and drink purchases totaling $44.3 billion in 1987.

☐ **Food contractor** purchases are forecast to equal $4.3 billion. This group represents the largest component of the commercial segment outside of eating places in the amount of dollars spent.

☐ Purchases for the **Institutional Foodservice Group,** which account for 16.4 percent of total industry food and drink purchases, are projected to reach $12.8 billion.

☐ **Hospitals,** the largest food and beverage purchasers in the institutional segment, are expected to post purchases of $3.3 billion.

☐ Food and drink purchases provided to **foodservice employees** in both the Commercial and Institutional Groups should reach $4.5 billion.

☐ **Military foodservice** purchases are forecast to total $2.4 billion. Defense personnel expenditures, the largest share of military foodservice purchases, are predicted to total $2.0 billion.

The foodservice industry food and drink purchases projected to 1987*

GROUP I: Commercial Foodservice[1]	Estimated food and drink purchases ($000)
Eating places	
Restaurants, lunchrooms	$23,480,372
Limited menu restaurants	18,499,104
Commercial cafeterias	1,324,558
Social caterers	536,866
Ice cream, frozen custard stands	476,803
Total—eating places	**$ 44,317,703**
Bars and taverns	443,285[2]
Total—eating and drinking places	**$ 44,760,988**
Food contractors	
Manufacturing and industrial plants	$ 1,327,036
Commercial and office buildings	458,624
Hospitals and nursing homes	536,854
Colleges and universities	629,265
Primary and secondary schools	392,603
In-transit feeding (airlines)[3]	409,815
Recreation and sports centers	510,435
Total—food contractors	**$ 4,264,632**
Lodging places	
Hotel restaurants	$ 3,254,455
Motor hotel restaurants	254,740
Motel restaurants	409,988
Total—lodging places	**$ 3,919,183**
Other Commercial	
Retail host restaurants	$ 2,824,908
Recreation and sports	778,290
Vending and non-store retailers	1,378,894
Mobile caterers	242,683
Total—other commercial	**$ 5,224,775**
TOTAL—GROUP I	**$58,169,578**

GROUP II: Institutional Foodservice—Business, educational, government or institutional organizations that operate their own foodservice	Estimated food and drink purchases ($000)
Employee feeding	$ 1,021,946
Public and parochial elementary and secondary schools	3,105,522
Colleges and universities	1,417,992
Transportation	537,416
Hospitals	3,265,196
Nursing homes; homes for the aged, blind, orphans, mentally and physically handicapped	2,136,050
Clubs, sporting and recreation camps	782,101
Community centers	492,048
TOTAL—GROUP II	**$12,758,271**
TOTAL—GROUPS I AND II	**$70,927,849**
Food furnished foodservice employees (FSE) in Groups I and II	$ 4,539,499
TOTAL—GROUPS I, II AND FSE	**$75,467,348**
GROUP III: Military Foodservice	
Defense personnel	$ 2,023,586
Officers and NCO clubs ("Open Mess")	241,333
Foodservice—military exchange	138,304
TOTAL—GROUP III	**$ 2,403,223**
GRAND TOTAL	**$77,870,571**

*Purchases refer to expenditures by foodservice establishments for their food and drink supplies.
1. Data are given only for establishments with payroll.
2. Food purchases only
3. Food purchases only

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Regional and state forecast

For the seventh consecutive year, the National Restaurant Association has forecast eating place sales for each of the 50 states and the District of Columbia. Restaurateurs can use these data to compare their sales performances with projections for their state or region and also for planning purposes.

To a great extent, eating place sales performance depends on the economic situation in the regional area. Factors such as population, income, industrial mix and employment all affect restaurant sales.

Economic overview

Regional economic growth will vary dramatically among the nine census regions in 1987. Overall, the best performance should be in the Mountain region where population, employment and personal income growth are expected to be significantly above the national average. Slowest growth should occur in the Middle Atlantic region where these same indicators forecast changes below the national average.

It is worth noting that U.S. regional economic performance is becoming more and more integrated with the world economy. For example, changes in the world price for oil or fluctuations in the value of the U.S. dollar in world markets can directly influence employment, tourism levels and, ultimately, restaurant sales within a region.

Many state governments and local business leaders are now aware that local economic health is closely connected to international economic developments. Some states have established offices in foreign countries to encourage foreign capital investment in their states and to facilitate the export-import trade. The end result is an economic environment which is more hospitable to both domestic and foreign growth business. When a region's economy grows, its restaurant sales can also be expected to increase.

The New England region is a good example of an area that has staged an economic comeback. Just a few years ago, the area was suffering the typical problems associated with a poor industrial mix. Today, population, total employment and personal income growth are all above national averages. Consequently, New England's eating place sales are forecast to increase a healthy 7.2 percent in 1987.

Changing a region's economic base to capture growth businesses can be a slow process. Even now, the New England economy remains vulnerable to significant fluctuations in world energy prices and military defense contracts.

Regional highlights

The following sections present key information concerning restaurant sales trends in the nine census regions.

☐ The **Mountain region** should show the strongest gain in eating place sales in 1987—up 8.2 percent over 1986. The **South Atlantic** should follow with a 7.6 percent advance.

☐ The **Middle Atlantic region** should post the smallest sales increase next year—5.7 percent.

☐ The **Pacific region** should again rank number one in terms of total restaurant sales, with sales of $25.7 billion expected in 1987.

☐ **Arizona** is forecast to have the largest percentage increase in sales in 1987, with an advance of 8.9 percent.

☐ **California** should lead the nation in total restaurant sales—$19.5 billion. **New York** is expected to rank second, with sales of $10.6 billion, and **Texas** should come in third at $10.5 billion.

New England
East North Central
West North Central
Middle Atlantic
Pacific
Mountain
East South Central
West South Central
South Atlantic

Percent change in the regional economies 1986–1987

Region	Population	Total employment	Manufacturing employment	Personal income
New England	1.2%	2.1%	1.2%	3.9%
Middle Atlantic	0.2	1.0	−0.4	2.5
South Atlantic	1.5	2.3	1.9	4.4
East North Central	0.2	1.1	nc*	2.5
West North Central	0.3	1.2	1.4	3.0
East South Central	0.5	1.3	1.7	3.6
West South Central	1.1	2.0	2.6	4.3
Mountain	2.2	3.0	4.0	5.3
Pacific	1.6	2.5	2.2	4.1
Total U.S.	**0.9**	**1.8**	**1.2**	**3.6**

*no change

Source: National Planning Association, Regional Economic Projections Series, National Restaurant Association

Percent change in state and regional economic indicators: 1986–1987

	State	Population	Total employment	Manufacturing employment	Personal income	Eating place sales ($000)		
						1986	1987	Percent change
New England	Connecticut	0.8%	1.8%	0.4%	3.2%	$ 2,135,045	$ 2,284,498	7.0%
	Maine	0.9	1.8	1.1	3.8	635,060	678,244	6.8
	Massachusetts	1.2	2.1	1.4	3.9	4,831,167	5,183,842	7.3
	New Hampshire	2.6	3.3	2.7	5.9	666,676	720,677	8.1
	Rhode Island	1.5	2.3	1.0	4.1	575,475	615,183	6.9
	Vermont	1.1	1.8	1.8	4.0	327,408	352,291	7.6
	Total region	**1.2%**	**2.1%**	**1.2%**	**3.9%**	**$ 9,170,831**	**$ 9,834,735**	**7.2%**
Middle Atlantic	New Jersey	0.5%	1.8%	−0.2%	4.0%	$ 4,044,031	$ 4,282,629	5.9%
	New York	0.1	0.7	−0.5	1.8	10,071,966	10,635,996	5.6
	Pennsylvania	0.2	0.9	−0.5	2.5	5,478,481	5,796,233	5.8
	Total region	**0.2%**	**1.0%**	**−0.4%**	**2.5%**	**$19,594,478**	**$20,714,858**	**5.7%**
South Atlantic	Delaware	0.7%	1.3%	0.2%	2.8%	$ 343,269	$ 365,925	6.6%
	District of Columbia	−0.5	−0.2	−1.7	−3.8	704,464	742,505	5.4
	Florida	2.8	3.7	3.6	5.3	6,970,213	7,548,741	8.3
	Georgia	1.3	2.1	1.8	4.7	3,191,874	3,440,840	7.8
	Maryland	0.6	1.6	−0.3	3.9	2,524,158	2,670,559	5.8
	North Carolina	1.3	2.1	2.1	4.6	2,960,365	3,200,155	8.1
	South Carolina	1.2	2.1	1.7	4.6	1,543,328	1,665,251	7.9
	Virginia	0.8	1.7	1.9	4.2	2,956,706	3,178,459	7.5
	West Virginia	−0.3	0.4	−1.0	2.3	650,223	686,635	5.6
	Total region	**1.5%**	**2.3%**	**1.9%**	**4.4%**	**$21,844,600**	**$23,499,070**	**7.6%**
East North Central	Illinois	0.1%	0.8%	−0.7%	2.2%	$ 5,545,739	$ 5,861,846	5.7%
	Indiana	0.2	1.1	0.3	2.9	2,862,201	3,039,657	6.2
	Michigan	0.3	1.1	nc°	2.4	4,462,271	4,730,007	6.0
	Ohio	0.2	1.0	−0.2	2.5	5,567,760	5,890,690	5.8
	Wisconsin	0.7	1.6	1.2	3.4	2,210,201	2,353,864	6.5
	Total region	**0.2%**	**1.1%**	**nc°**	**2.5%**	**$20,648,172**	**$21,876,064**	**5.9%**
East South Central	Alabama	0.5%	1.4%	2.0%	3.6%	$ 1,407,178	$ 1,497,237	6.4%
	Kentucky	0.2	1.1	1.5	3.2	1,586,736	1,693,047	6.7
	Mississippi	0.5	1.2	2.0	3.6	817,040	872,599	6.8
	Tennessee	0.7	1.6	1.4	4.0	2,304,047	2,469,938	7.2
	Total region	**0.5%**	**1.3%**	**1.7%**	**3.6%**	**$ 6,115,001**	**$ 6,532,821**	**6.8%**
West North Central	Iowa	−0.1%	0.7%	0.9%	2.2%	$ 1,111,056	$ 1,166,609	5.0%
	Kansas	0.3	1.4	2.3	3.5	1,094,275	1,162,120	6.2
	Minnesota	1.1	2.0	1.9	3.9	2,082,699	2,224,322	6.8
	Missouri	0.1	0.9	0.7	2.7	2,502,704	2,647,861	5.8
	Nebraska	0.2	1.1	1.5	2.8	752,427	793,058	5.4
	North Dakota	−0.1	0.8	3.9	2.8	269,376	286,347	6.3
	South Dakota	nc°	0.8	3.7	2.8	283,170	298,744	5.5
	Total region	**0.3%**	**1.2%**	**1.4%**	**3.0%**	**$ 8,095,707**	**$ 8,579,061**	**6.0%**
West South Central	Arkansas	0.8%	1.7%	2.4%	3.8%	$ 904,582	$ 964,284	6.6%
	Louisiana	0.6	1.5	1.4	3.8	2,336,900	2,498,146	6.9
	Oklahoma	0.7	1.4	2.7	3.6	1,960,620	2,093,942	6.8
	Texas	1.4	2.2	2.8	4.6	9,774,686	10,506,056	7.5
	Total region	**1.1%**	**2.0%**	**2.6%**	**4.3%**	**$14,976,788**	**$16,062,428**	**7.2%**
Mountain	Arizona	3.3%	4.2%	4.2%	6.3%	$ 1,782,300	$ 1,940,925	8.9%
	Colorado	2.1	3.0	4.0	5.1	2,245,331	2,433,939	8.4
	Idaho	1.2	2.1	3.0	4.4	411,883	440,303	6.9
	Montana	0.4	1.2	1.3	3.6	385,598	409,891	6.3
	Nevada	2.6	3.4	5.0	6.0	640,049	691,893	8.1
	New Mexico	1.7	2.5	4.4	4.8	759,574	824,138	8.5
	Utah	2.0	2.9	4.4	5.6	608,118	649,470	6.8
	Wyoming	1.1	1.4	1.6	3.7	304,888	328,974	7.9
	Total region	**2.2%**	**3.0%**	**4.0%**	**5.3%**	**$ 7,137,741**	**$ 7,719,533**	**8.2%**
Pacific	Alaska	2.1%	2.9%	3.7%	5.2%	$ 483,906	$ 524,554	8.4%
	California	1.8	2.6	2.4	4.3	18,238,442	19,489,599	6.9
	Hawaii	0.2	1.1	0.4	2.9	1,161,586	1,244,059	7.1
	Oregon	1.1	2.0	1.7	3.6	1,512,476	1,610,787	6.5
	Washington	1.1	1.9	1.4	3.5	2,641,762	2,825,364	7.0
	Total region	**1.6%**	**2.5%**	**2.2%**	**4.1%**	**$24,038,172**	**$25,694,363**	**6.9%**

° *no change*

Source: National Planning Association, Regional Economic Projections Series, National Restaurant Association

New England

Major industries

- ☐ High technology
- ☐ Defense
- ☐ Manufacturing
- ☐ Service
- ☐ Textiles and apparel
- ☐ Tourism

Outlook

☐ Total employment, population and personal income increases for the region should continue to outpace the national average.

☐ New business development and increased defense spending, including research dollars from the Star Wars program, will help increase regional employment and offset any slump experienced by the computer, high-technology and manufacturing industries.

☐ Economic growth should increase at a faster pace than expansion of the labor force, increasing the pressure to raise wage levels to deal with spot labor shortages.

☐ The construction boom should continue, and the region's export-oriented industries should experience an increase in orders because of the declining value of the dollar abroad.

☐ Total eating place sales for the region should reach $9.8 billion, a 7.2 percent increase over the prior year.

☐ Massachusetts is forecast to lead eating place sales for the region at $5.2 billion, and Connecticut should place second at $2.3 billion.

Middle Atlantic

Major industries

- ☐ Manufacturing/heavy industry
- ☐ Service
- ☐ Tourism
- ☐ Finance
- ☐ High technology

Outlook

☐ The region's population, employment and personal income growth should show modest increases; however, all are predicted to come in below the national averages.

☐ Progress is slowly being made in the region by targeting high-growth industries and diversifying existing industries away from heavy manufacturing.

☐ Tourism is playing a bigger role along with the housing, retailing and banking sectors, which are also showing increased strength.

☐ Eating place sales are projected to reach $20.7 billion in 1987, a 5.7 percent advance.

☐ New York should lead the region with total eating place sales of $10.6 billion.

☐ Eating place sales are expected to advance 5.9 percent in New Jersey, the largest percentage increase for the region.

East North Central

Major industries

- ☐ Automobile
- ☐ Steel
- ☐ Rubber
- ☐ Robotics
- ☐ Agriculture

Outlook

☐ While population, total employment and personal income should increase at a slower pace than the national average, the region shows signs of staging a comeback.

☐ Increased use of high technology in the automobile and steel industries should increase output and productivity levels.

☐ State officials and private industry leaders are working together to foster an environment that is more conducive to new business growth.

☐ Foreign auto manufacturers continue to build new production facilities in this area. Michigan is expected to produce one-third of the country's robots in 1987.

☐ The region's eating place sales are forecast to increase 5.9 percent in 1987 to $21.9 billion.

☐ Eating place sales are expected to show the most significant increase in 1987 in Wisconsin, growing 6.5 percent.

How the regional forecast was prepared

The economic and sales data for the states have been arranged according to the nine census regions. Included for each state are revised eating place sales for 1986, projected 1987 sales figures and information on personal income, employment and population. Much of the economic data in this report is based on information obtained from such sources as the Bureau of Economic Analysis, the Bureau of Labor Statistics, the National Planning Association and the Chamber of Commerce.

The estimates for eating place sales used here were prepared in consultation with the research firm Malcolm M. Knapp, Inc. State-by-state historical eating place sales trends between 1972, 1977 and 1982 form the basis for these projections. Special attention was paid to growth trends between 1977 and 1982 for refreshment places (fast food) and restaurants and lunchrooms for each state. Sales figures were then adjusted to reflect current and projected income and population data.

A few reminders

Here are a few things to keep in mind when using the regional sales figures in this report:

☐ Sales projections for 1987 are based on the best available data in September 1986. If the outlook for general economic conditions or the food situation changes significantly in 1987, these projections will require adjustment.

☐ Adjustments were made to arrive at a predetermined U.S. total.

☐ Sales figures for each state are subject to greater error than the national projections.

☐ The actual sales figures are a better indication than percent changes of the size of the restaurant industry in respective states. Actual sales figures represent an overall allocation of total sales in the U.S., while percent changes are subject to more variation. Percent changes have been shown here as a convenience to *1987 Forecast* readers.

☐ The sales information for states and regions is for all establishments. They represent the U.S. Census Bureau's definition of eating places (SIC Code 5812) and include figures for operations with payroll and without payroll as well as contract feeding. As a result, the sales figures for states and regions will not equal the total for eating places.

☐ Regional projections were not done separately, and, as a result, regional totals are sums of state data.

South Atlantic

Major industries

☐ Service
☐ Textiles and apparel
☐ Agriculture
☐ Manufacturing
☐ Defense
☐ Tourism
☐ High technology

Outlook

☐ The mix of service and traditional manufacturing industries will enable the area to post population, employment and personal income gains significantly above the national average.

☐ Employment in the basic industries of textiles and agriculture should continue to decline, but it will be more than offset by gains in the high-technology and service sectors.

☐ Florida is expected to show the second-highest population growth in the United States for 1987—2.8 percent.

☐ Total eating place sales should jump a substantial 7.6 percent to $23.5 billion in 1987.

☐ Florida should lead the region in total restaurant sales—$7.5 billion.

East South Central

Major industries

☐ Textiles and apparel
☐ Oil and gas
☐ Defense
☐ Automobile
☐ Paper and lumber

Outlook

☐ The apparel and textile industries should pick up performance since the decline of the dollar and lower interest rates will make imports less competitive.

☐ Stronger auto sales should send positive ripples throughout the region as related industries benefit. However, the oil and gas industries should face depressed prices and oversupply.

☐ Population and employment growth should continue to be below the national average.

☐ Total eating place sales for the region are forecast to reach $6.5 billion, a 6.8 percent increase over last year.

☐ Mississippi is expected to post the largest eating place sales increase—6.8 percent—while Tennessee should be the leader in the region in terms of eating place sales at $2.5 billion.

West North Central

Major industries

☐ Agriculture
☐ Aerospace
☐ Defense
☐ Farming equipment

Outlook

☐ States with economies not entirely dependent upon agriculture and its associated industries should outperform the regional average.

☐ Increased military spending and a growing aerospace/commercial aviation sector should boost the region's economy. However, growth in population, total employment and personal income should remain far below the national averages.

☐ Sales of new farm equipment are expected to remain depressed due to the trouble in the agriculture economy.

☐ The region is expected to record eating place sales of $8.6 billion, a 6.0 percent advance over 1986.

☐ Minnesota should lead the region with the largest increase in eating place sales, up 6.8 percent to $2.2 billion.

West South Central

Major industries

☐ Oil and gas
☐ Defense
☐ Chemicals
☐ High technology
☐ Finance

Outlook

☐ Despite the drag of the energy sector on the regional economy, the region is expected to post population, employment and personal income gains above the national average.

☐ Lackluster, short-term performance in the construction sector should continue because of lower demand for petroleum.

☐ Continued growth in the service and high-technology sectors should aid the regional economy. Defense contracts, in particular, should increase employment for shipbuilding and aerospace firms.

☐ Eating place sales are projected to reach $16.1 billion, a 7.2 percent increase over the year before

☐ Texas should post the most significant increase in eating place sales for the region—up 7.5 percent to $10.5 billion.

Mountain

Major industries

☐ High technology
☐ Defense
☐ Mining
☐ Construction
☐ Energy

Outlook

☐ The nation's strongest population, employment and personal income growth is expected in this region during 1987.

☐ The region's energy and mining industries should continue to be battered by low prices, but strong growth in the high-technology and defense areas should boost the region's economy.

☐ Arizona is expected to demonstrate the country's highest growth in 1987 for population (2.2 percent), total employment (3.0 percent) and personal income (5.3 percent).

☐ Eating place sales are projected to be $7.7 billion in 1987, an 8.2 percent advance.

☐ Colorado should lead the region with eating place sales of $2.4 billion. This represents an 8.4 percent advance over last year.

Pacific

Major industries

☐ Electronics/high technology
☐ Aerospace
☐ Defense
☐ Lumber
☐ Agriculture
☐ Tourism

Outlook

☐ Growth in the region should remain strong as the decline of the dollar abroad allows the electronics and lumber industries to stabilize.

☐ The weaker U.S. dollar is also expected to stimulate foreign tourism in the region.

☐ The area is expected to post a healthy 4.1 percent increase in personal income in 1987.

☐ The region should show higher-than-average growth in population and employment income.

☐ The defense-related electronics and aerospace industries are expected to demonstrate robust growth.

☐ The region's eating place sales are projected to reach $25.7 billion, the highest volume in the U.S. This represents a 6.9 percent advance over last year.

☐ California should lead the region and the nation with eating place sales of $19.5 billion, up 6.9 percent from 1986.

1986 update

The National Restaurant Association's updated *1986 Forecast* indicates that the foodservice industry continued its expansion in both real and current dollars, but the gains were just slightly below the original forecast. Consumers continued to make major durable goods purchases, particularly automobiles, in response to various financing incentives. Accordingly, an increased consumer debt load in 1986 decreased cash available for entertainment and restaurant meals.

According to CREST, traffic at the nation's restaurants increased 2.5 percent in the

Foodservice industry food and drink sales
1985–1986

	($000)		Percent change	
	1985	1986	Current dollars	Constant dollars
Commercial Foodservice Group	$152,174,215	$162,921,460	7.1%	3.2%
Eating places	$111,130,863	$119,021,154	7.1	3.3
Restaurants and lunchrooms	58,444,122	62,221,912	6.5	2.7
Limited menu restaurants	46,735,840	50,474,707	8.0	4.2
Commercial cafeterias	3,273,444	3,456,756	5.6	1.8
Social caterers	1,301,600	1,390,109	6.8	3.0
Ice cream, frozen custard stands	1,375,857	1,477,670	7.4	3.6
Bars and taverns	$ 8,238,418	$ 8,502,047	3.2	−0.6
Total eating & drinking places	$119,369,281	$127,523,201	6.8	3.0
Institutional Foodservice Group	$ 21,198,647	$ 21,771,272	2.7	−1.1
Military Foodservice Group	$ 884,416	$ 946,026	7.0	3.2
Total industry sales	**$174,257,278**	**$185,638,758**	**6.5%**	**2.7%**

Gallup survey examines trend toward

The decision to go to a fast food place instead of another type of restaurant is overwhelmingly motivated by a need for convenience. According to an October 1986 Gallup survey conducted for the National Restaurant Association, approximately 94 percent of adult consumers cite convenience as the reason for choosing a fast food place over another restaurant, nearly three times the number that choose moderately priced restaurants for the same reason. The upscale segment was not included in this survey.

Time pressures are key

This need for convenience, which is bolstered by demographic trends and lifestyle changes, is the driving force behind fast food restaurant growth. It is also the basis of the growing competition from grocery and other retail stores.

An analysis of responses to the Gallup survey suggests the consumer's need for convenience is multifaceted, but it is most likely to be motivated by time pressures. More than one-half of the adults describe a time-pressured occasion when asked about the circumstances under which they go to a fast food place. A time-pressured occasion is one where the consumer cites a lack of time, is in a hurry and wants a quick meal.

Other convenience-associated circumstances include those that are related to

☐ location, such as away-from-home shopping/traveling or proximity to the restaurant (15 percent)

☐ ease, such as taking the children out to eat or not wanting to cook (16 percent) and

☐ unspecified convenience circumstances (11 percent).

winter, a stronger 3.2 percent in the spring, and was up only 0.3 percent during the summer months. Traffic is expected to remain slightly below real GNP growth for the remainder of the year in response to increased purchases of durables.

In addition, CREST data showed that promotional usage increased during the first three quarters of the year. The proportion of restaurant visits on which a deal was used increased over the same quarters in 1985 and 1984. Consumers appeared to be using promotional coupons and other discounts in order to stretch their food-away-from-home dollars.

1986 traffic performance highlights

The quickservice segment experienced consistent traffic gains in 1986. Customer counts were up a strong 7.4 percent in the winter, 5.5 percent in the spring and 2.5 percent in the summer.

Midscale restaurants posted traffic declines in the first three quarters of 1986, continuing the trend of 1985. Traffic declined 6.9 percent in the winter, 0.8 percent in the spring and 5.4 percent in the summer.

Upscale restaurant traffic decreased 1.4 percent in the winter and 0.8 percent in the spring and remained unchanged in the summer quarter.

1986 sales performance highlights

According to the National Restaurant Association's revised *Forecast*, **foodservice industry sales** are now projected to reach $185.6 billion in 1986. This represents an increase of 6.5 percent in current dollars and 2.7 percent in constant dollars.

Sales for the **Commercial Foodservice Group** are now expected to total $162.9 billion in 1986, up 7.1 percent from 1985 sales of $152.2 billion. Adjusted for inflation, this is a 3.2 percent gain.

The **Institutional Foodservice Group** is expected to post sales of $21.8 billion, up 2.7 percent over 1985. **Military Foodservice Group** sales should reach $946 million, up 7.0 percent over sales of $884 million posted in 1985.

Eating place sales are projected to reach $119.0 billion in 1986, an advance of 7.1 percent. In real dollars, sales should advance 3.3 percent. Restaurant and lunchroom sales are now forecast to advance to $62.2 billion, up 6.5 percent over 1985. Adjusted for inflation, this is an increase of 2.7 percent. Sales for limited menu (fast food) establishments are expected to reach $50.5 billion, a strong 8.0 percent gain. Real sales, after adjusting for inflation, should advance 4.2 percent.

convenience

12

Those who are most likely to cite a time-pressured occasion as the reason for selecting a fast food place are customers who go to fast food places more than once a week. Twenty-six percent of adults say they go to a fast food place more than once a week. Among these frequent customers, nearly two-thirds (64 percent) cite the time-pressured occasion.

As visit frequency decreases, the time-pressured occasion becomes less important. For instance, of the 13 percent of respondents who say they visit a fast food place less often than once a month, slightly less than one-half (49 percent) cite the time-pressured occasion.

Demographic profile

Consumers who are most likely to cite time-pressured occasions for choosing fast food places have the same demographic profile as frequent customers. They are more likely to be

☐ males
☐ young consumers, 18 to 34 years of age
☐ members of three-or-more-member households
☐ members of households with annual incomes of $30,000 or more and
☐ full-time working women.

According to CREST, customer traffic at quickservice restaurants was up nearly five percent in the first three quarters of 1986 versus one year earlier. At the same time, traffic at midscale and upscale restaurants was virtually unchanged. This performance, coupled with the expansion of take out and home delivery, demonstrates the strength of the consumer's need for convenience.

Both demographic trends, such as the increase in dual-career families with small children and single-parent households, and changing consumer lifestyles will continue to boost time pressured occasions in the future. In general, consumers report that they are working a greater number of hours. In addition, they say they are participating in more recreational and cultural leisure activities. All these trends suggest there will be more time-pressured eating occasions in the future.

The need for convenience has also attracted the attention of supermarkets, other retail stores and food processors. Each group is making an effort to capture a share of the consumer's take-out food dollars.

The midscale dilemma

At a time when convenience is a driving force behind industry expansion, much of the midscale sector is unaffected. Visits to midscale restaurants are more likely to be discretionary, social occasions, instead of necessary, functional ones. The midscale dilemma is that although consumers are well satisfied with the convenience provided by moderately priced family restaurants, they do not generally identify this segment with the time-pressured convenience occasion.

The time-pressured occasion was cited as the reason for visiting a midscale restaurant by only five percent of consumers, and all convenience associated circumstances were cited by 33 percent of respondents. The Gallup survey shows that moderately priced family restaurants are chosen by consumers for social occasions, when dining with family or friends or for special occasions. They are chosen because they are affordable, have good food and a pleasant atmosphere. At a time when cash is tight, consumers are not able to visit midscale restaurants as frequently as they might like.

However, their reasons for selecting these restaurants, coupled with high customer satisfaction for virtually all aspects of the moderately priced family restaurant occasion, suggest that if the cash pinch eases, these restaurants should enjoy renewed growth.

—Kate Conroy
—Claire Regan
—Hudson Riehle

Editor's note: *For a more detailed discussion of the Gallup survey results, look for the January 1987 issue of* ***Restaurants USA.***

How the 1987 Forecast was prepared

The National Restaurant Association's projections for 1987, revised projections for 1986 and final estimates for 1984 are published here. Comparable historical sales data encompassing the entire period from 1970 through 1984 have been recently published by the association in *Foodservice Numbers.*

The association's annual industry forecast for 1987 includes both nominal and real percent changes in sales for all industry sectors. Real growth is calculated separately for each market segment. In the case of eating places, the projected percent increase in menu prices is subtracted from the percent increase in sales. For drinking places, it is necessary to make a special estimate of the inflation factor, which is weighted more heavily toward alcoholic beverages.

For other industry sectors, such as colleges and universities where expenses are largely determined by food costs, a modification of the Producer Price Index for food is used. Modifications to this index are based on historical patterns for each industry sector. The food cost component constitutes the base percent increase, which is adjusted to reflect population changes and other pertinent factors, such as labor and overhead costs.

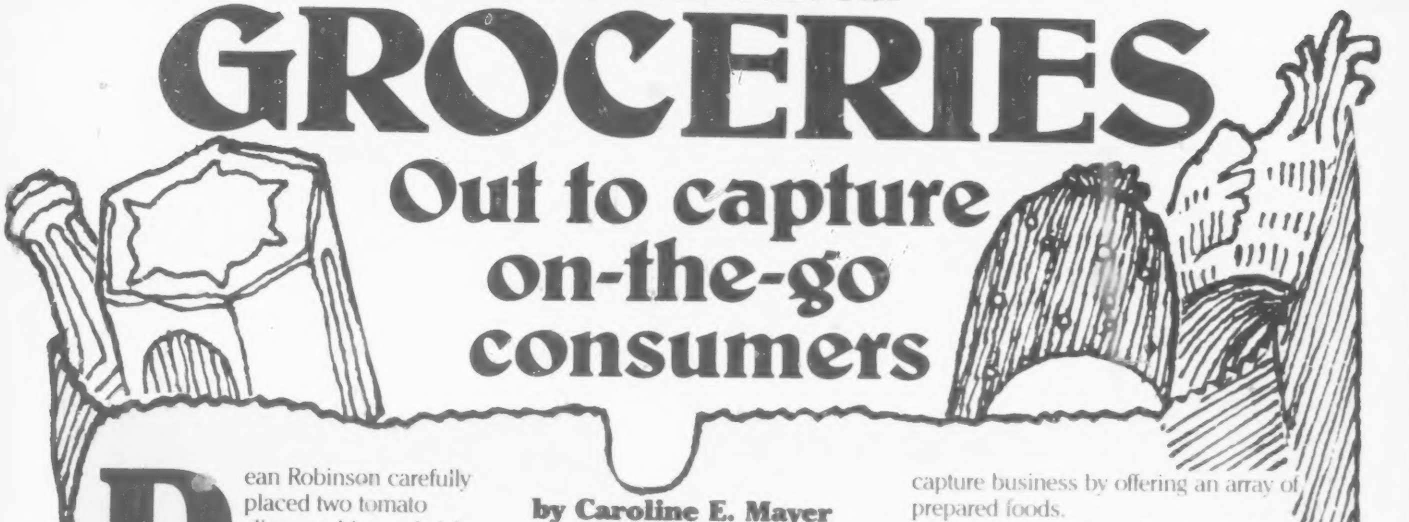
To arrive at real 1987 sales figures for the total foodservice industry as well as for the Commercial and Institutional Groups, current 1986 sales were multiplied by the respective 1987 real growth factors. The real sales figures for each of these sectors were added and compared with 1986 sales to obtain overall real growth for the industry and the two major segments.

A word of caution

Sales projections are based on the best data available in October 1986. If the outlook for general economic conditions or the food situation changes significantly in the coming year, these projections will require adjustment. In addition, the performance of individual companies or sales in local market areas may differ substantially from the U.S. outlook.

Editor's Note: *Questions concerning this report or requests for additional copies should be directed to the National Restaurant Association, Research Department, 311 First St., N.W., Washington, DC 20001; (202) 638-6100 or (800) 424-5156.*

COMPETITION REPORT



GROCERIES

Out to capture on-the-go consumers

by Caroline E. Mayer

Dean Robinson carefully placed two tomato slices on his sandwich roll, then a slice of ham and some pickles to top it off. Reaching for a small bottle of white wine nearby, Robinson was eagerly taking advantage of Safeway's latest answer to fast food chains—a $3.99-a-pound, make-your-own sandwich bar.

A Roy Rogers Restaurant was less than 100 feet away from the Safeway in Crystal City, VA. But, Robinson comments, "I think this is better than fast food. I come here about three times a week for lunch. I get a greater choice, and a chance to build a sandwich as large or as small as I want."

Supermarkets are muscling their way into carry out

Slowly but steadily, supermarkets are muscling their way into the carry-out restaurant business. Having seen their customers spend an increasing amount of their food budgets in restaurants and fast food outlets, supermarkets are aggressively trying to recapture business by offering an array of prepared foods.

From the simple soup, salad and sandwich bars to more sophisticated in-store restaurants and from coffee bars to drive-thru deli windows, grocery chains and convenience stores across the nation are rapidly becoming food manufacturers and servers.

Kroger, the nation's second-largest supermarket chain, for example, has installed sit-down cafes in about one-third of its stores, dishing out hamburgers, salads and cooked chicken, as well as eggs, bacon and pancakes for breakfast.

OPEN 24 HOURS
Breakfast to go $3.49

James A. Parcell, The Washington Post

Chef Pooh Sayasithsena serves breakfast at the Giant supermarket in Baileys Crossroads, VA.

Additionally, Kroger, like Giant Food, Inc., Grand Union Co. and many other supermarkets, offers a host of prepared gourmet foods—from stuffed pork chops to pot roast—for consumers to take home. All they have to do is pop the food in the oven (or microwave) and heat. "With enough advance notice, we even offer suckling pig," says Grand Union spokesman Donald C. Vaillancourt.

Meanwhile, in Princeton, IL, a small grocery chain has installed a drive-thru window, offering pastries and coffee for breakfast, made-to-order sandwiches for lunch and ice cream cones and snacks throughout the day to customers who don't have the time or inclination to park their cars and walk into the store.

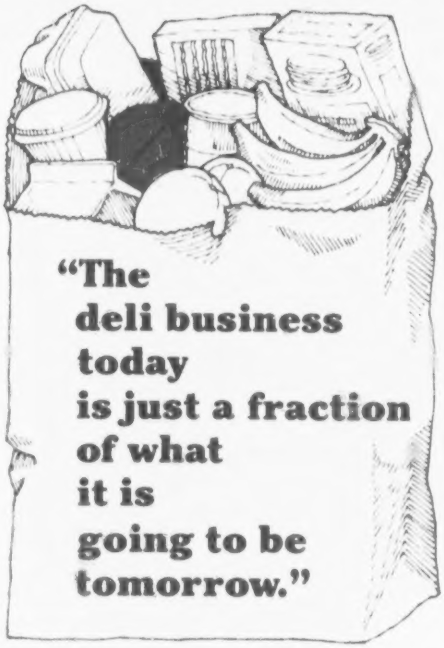
Even the 7-Eleven chain—which probably sells more hot dogs and coffee than any other chain in the United States—is seeking to expand its take-out offerings. In a limited test, the convenience-store chain has teamed up with Hardee's and begun cooking Hardee's hamburgers in 7-Eleven stores. Later this year, similar joint ventures are scheduled to be tested with Church's Fried Chicken and the Rocky Rococo pizza chain.

Additionally, 7-Eleven in Richmond, VA, has launched its own line of fast food items—called "The Works"—that will include Philadelphia cheesesteak sandwiches made on the spot. Unlike sandwiches now found at 7-Eleven, these will not be prepared in advance and then refrigerated at the stores.

"In this on-the-go age, fast food is obviously an enormous commodity," surmises Jim Willett, a spokesman for Southland Corp. in Dallas, TX, which owns 7-Eleven stores. "We are certainly interested in capturing a share of that market."

As for Kroger, "Through the years, we have had difficulties with restaurants," says Pat del Brocco, Kroger's vice president for its deli and bakery operations. "We saw more and more food being consumed outside the home. As a result," he adds, "the decision was made not too long ago to aggressively pursue the restaurant business."

Statistics alone explain the reasons behind this decision. According to the latest annual survey of the supermarket industry by the trade magazine *Progressive Grocer,* the amount of money consumers spend on food at home is at a record low—10.3 percent of disposable income. By contrast, in 1980, consumers spent 12.1 percent of their disposable income on food at home. Each percentage point drop amounts to tens of billions of dollars in lost business.



"The deli business today is just a fraction of what it is going to be tomorrow."

Perhaps even more distressing is the latest findings by the Food Marketing Institute (FMI)—that shoppers are making fewer weekly trips to the supermarket. "The average number of trips per week this year is two," down from the 2.3 weekly trips made consistently during the previous four years, FMI concluded in its recent survey of consumer attitudes.

Changes in American lifestyle motivate shift

Food industry officials said these numbers reflect a basic change in the American family and its eating habits. With more women in the work force, American families have less time to prepare food at home—and more money to spend on restaurant and carry-out food.

"What we are seeing is a change in lifestyle," notes Ann Brody, a food consultant who was Giant's specialty food coordinator for its Gourmet Giant in McLean, VA—a specialty supermarket that sells gourmet groceries as well as a wide variety of prepared foods.

"There is a lot less cooking going on at home on a regular basis," Brody says. "When I was a kid, going to a restaurant was a treat. Now, we eat so many meals at a restaurant that eating at home is a treat. So the take-home business is a large growth situation."

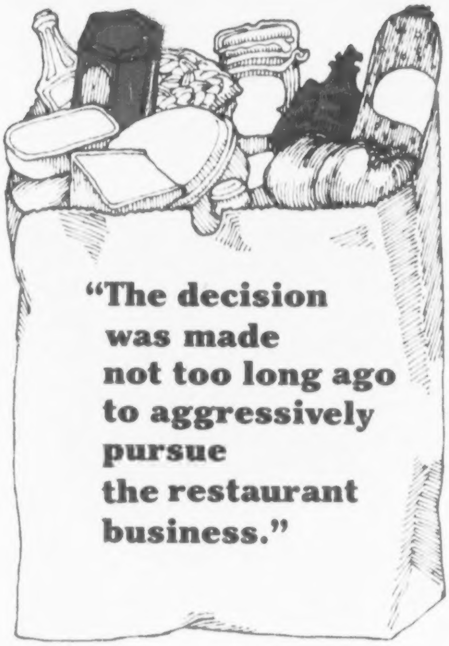
According to some industry estimates, one out of every four meals eaten at home in 1990 will be prepared elsewhere.

Supermarkets are positioning themselves to take advantage of this forecast, says Ed Weller, president of the Weller Co., a consulting firm in Los Angeles, CA, that advises supermarkets

SANDWICH BAR $3.99 LB.
"BUILD YOUR OWN"
Gourmet Wine and Cheese

Fast food offerings include a build-your-own sandwich bar in the Crystal City, VA, Safeway.

James A. Parcell, The Washington Post



"The decision was made not too long ago to aggressively pursue the restaurant business."

on in-store foodservice. There is a generation that has grown up on the convenience of fast food, Weller notes. But, he adds, "There has been some disenchantment with fast food and its limited offerings — it's not that exciting anymore. With greater health consciousness and a growing awareness of what good food is, supermarkets have something to offer as an alternative."

Until recently, Weller says, technology has limited the types of prepared foods available in supermarkets. In many stores, barbecued chicken, macaroni and cheese and other prepared foods were offered on a hot steam table. "Yet," recalls Mark Polsky, vice president of the Washington, DC-area Magruder's chain, "if you didn't stir it every five minutes, it looked like the food had been sitting there four to five days." As a result, consumers didn't buy it, and supermarkets threw a lot of the food away.

New technology makes it easier to prepare food

Today, "Food technology is light years ahead of where it was five years ago," Weller observes. Vacuum packaging and freezing methods have made it possible for grocers and food manufacturers to prepare delicious, ready-to-eat foods with no preservatives that can last on the shelves or in the freezer for much longer periods of time. And the microwave has made consumers more eager to buy prepared foods.

Consequently, Weller says, it is not surprising that virtually all of the new supermarkets being built today include some form of service delicatessen and bakery.

"About 19,000 of the 38,000 supermarkets in this country now have bakeries and or delis. That's double what it was seven years ago," explains Weller. "Five years ago, if delis and bakeries contributed 2.5 percent to a store's sales, we would say that was outstanding. Today, delis and bakeries should account for at least five percent of a store's overall sales."

The Safeway in Crystal City, VA, reflects what is going on throughout the supermarket industry. The store, in the "Underground" mall, was remodeled a year ago to include a salad and sandwich bar. Three months ago, a frozen yogurt machine was added to allow customers to carry out one of two daily flavors of yogurt.

Before the remodeling, the store sold prepared sandwiches and hot dogs. But its deli business was so small that the cash registers didn't even have a special key to ring up "deli" sales. Today, as a result of the new carry-out services, a deli key has been added to the register and has been ringing up about 20 percent of the store's sales, according to store manager Gary Marland.

"By noon, this place is like a sardine can," Marland says, noting the crowds drawn to the store by the salad and sandwich bars. "We have about 23,000 customers a week"—an increase of about 7,000 since the remodeling.

Meanwhile, Giant is experimenting with a "breakfast bar," dishing up eggs, pancakes, sausages, bacon and hash browns for $3.49 a pound at four of its stores where traffic is heavy in the morning.

At its newest stores, Giant has advanced the fast food business even further, installing a large kitchen to prepare and sell gourmet entrees, such as beef Stroganoff, sesame chicken salad and cornish hens stuffed with pate and rice. "We are offering enjoyable, good meals that you don't have to prepare," says Milton Weinstein, director of Giant's deli-dairy merchandising.

Food manufacturers are developing new lines

For supermarkets that don't have kitchens, large food manufacturers are eagerly rushing in, providing a variety of fresh, frozen and even canned entrees to help them expand their product line.

Campbell Soup Co., for instance, last year test marketed "Today's Taste"—a refrigerated line of fresh entrees (from fish to veal), salads, soups and desserts in Washington, DC, at several supermarkets. The food was prepared at an area kitchen and delivered to each store daily.

The test did not prove economical. "The product was very expensive for the consumer," says Polsky of Magruder's. It also was expensive for Campbell's, which found that the extremely short shelf life of the product meant too much of the food had to be thrown away, according to Tony Adams, director of Campbell's marketing research and planning.

Campbell's, however, continues to develop other take-out lines, including Fresh Chef, a line of salads (chicken, pasta, fruit and seafood), sauces (classic tomato, pesto, red and white clam and Alfredo) and soups (cream of tomato, cream of mushroom and chicken vegetable).

General Foods, meanwhile, is test marketing "Culinova," another line of fresh, refrigerated entrees, ranging from ground veal in a spinach stuffing topped with a champagne sauce to filet mignon served with a peppercorn sauce. It also has introduced "Impromptu"—a line of complete dinners that don't need to be refrigerated or frozen.

ConAgra, Inc., confident of the future of take-out foods, has set up a new subsidiary to sell a complete line of delicatessen products, from the traditional meats and cheeses to prepared gourmet entrees to fancy, caloric desserts.

"The deli business today is just a fraction of what it is going to be tomorrow," predicts Jim Babka, president of the new subsidiary, ConAgra Deli Co.

That prediction is drawing concern at some major fast food providers. "It is not a great threat now, but it is certainly something we are looking at," says Joyce Myers, manager of public and corporate relations for Burger King Corporation in Miami, FL. "It's an area that competes for the stomach, and that's where our business is."

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Viewpoint

Seafood Profits

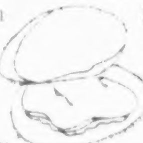
Don't let them sail away

By Lee J. Weddig

During the past three years the per capita consumption of fish and seafood has risen by 18 percent. This is an unprecedented rise in the use of fish and seafood and denotes a pronounced change in consumer eating habits. The change has come about in all categories: canned fish, shellfish and finfish. People are eating more fish at home, but they are also ordering it more often when they dine out. But will this trend continue? As this viewpoint indicates, it can if you do your part.

The ability to prepare fish and seafood in so many styles and recipes makes it the most diverse of the center-of-the-plate items. Beef is beef, pork is pork, but fish is everything from albacore to green-lipped mussels from New Zealand. So we must be partners in bringing good taste and variety to the consumer.

From my side of the partnership, I would like to say that my industry needs your help in three specific areas. We need you to preserve and enhance the positive feeling about fish and seafood.

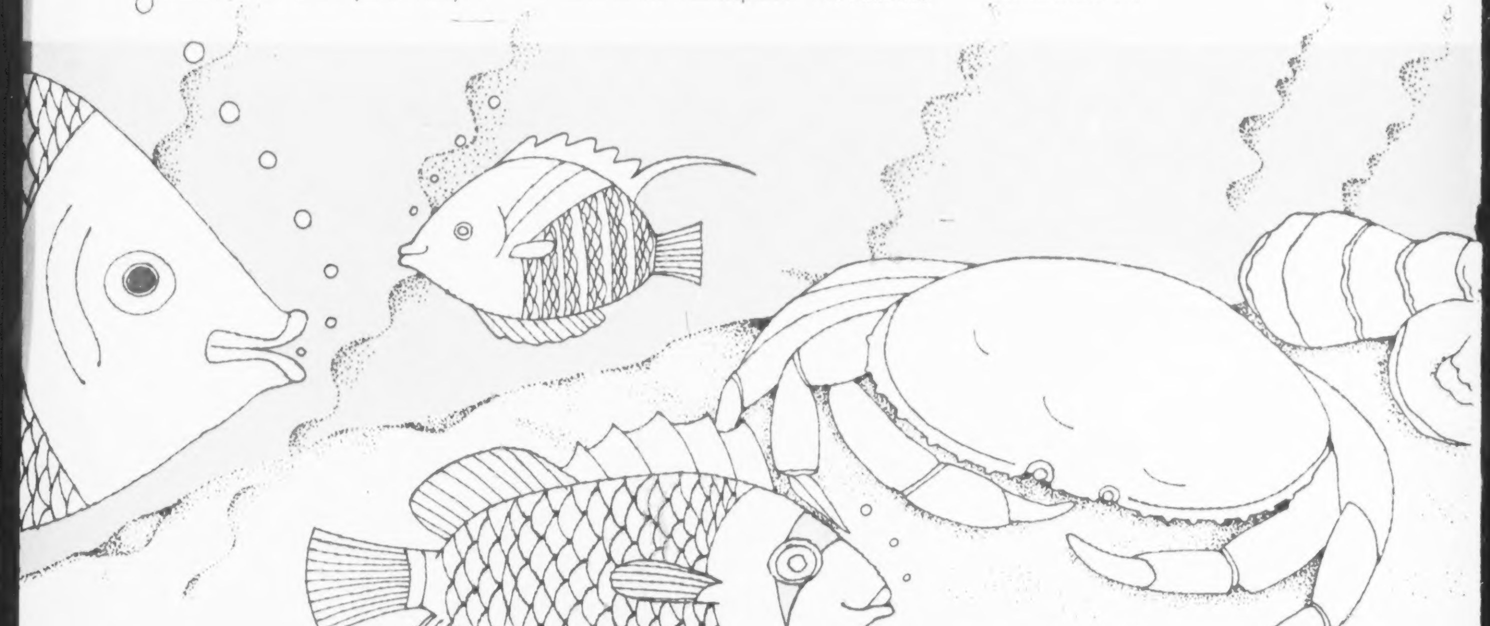


Demand quality. First, we need your help to continue the united drive to improve the quality of fish and seafood products in the marketplace. The National Fisheries Institute (NFI) has been working hard to upgrade the quality of seafood in the market, urging all members of the industry to recognize quality and demand it. When we say quality, we mean product that is wholesome and fit to eat, is properly labeled and identified, and has the sensory qualities of taste, texture and odor that are appropriate to the species handled under good manufacturing conditions.

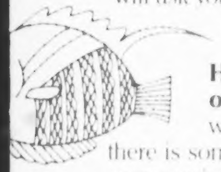
I believe that our industry is making progress in this area, but we do need your help to speed up the entire drive. We want you to *demand* quality from your purveyors. Do not settle for the substandard. Insist that the product be delivered in properly refrigerated condition. Do not accept the so-called "tired fish." Do not accept overglazed or undercounted product. Be sure you are getting what you ordered and what you paid for.

NFI is working on a program to improve the federal government inspection program for fish and seafood products. While this is pointed pri

Lee J. Weddig is executive vice president of the National Fisheries Institute, 2000 M St., NW, Suite 580, Washington, DC 20036. This viewpoint is an excerpt from a speech he delivered this summer before the American Culinary Federation in Sacramento, CA.



marily at wholesomeness and labeling, inevitably it will improve the sensory aspects of quality as well. We want a system that is designed specifically for the seafood industry, providing a means of preventing unwholesome product from reaching the marketplace. We do not believe that the inspection system in place for meat and poultry should be applied to wholesale seafood since it was designed to provide protection against different ills. We need a specific system designed for seafood products, and we are working to get it. At the appropriate time, we will ask you for help to achieve this goal.



Help maintain the source of supply. There are those who would indicate that there is something dirty about fishing commercially or something wrong with fishing with nets as opposed to applauding the most efficient way of harvesting the product and allowing it to be brought economically to the marketplace—to you and your customers.

Certain fishery regulations are being set by government to exclude entirely the commercial harvest of the resource for consumers. This is dead wrong. We have seen the elimination of commercial harvest of walleye pike from most of our northern lakes. There are restrictions on the harvest of salmon in certain parts of the West. Striped bass is gradually being restricted to recreational use. The bluefish is being restricted, mackerel is being restricted, bluefin tuna is being restricted, and in the Gulf of Mexico a very bitter struggle is taking place over the disposition of the redfish.

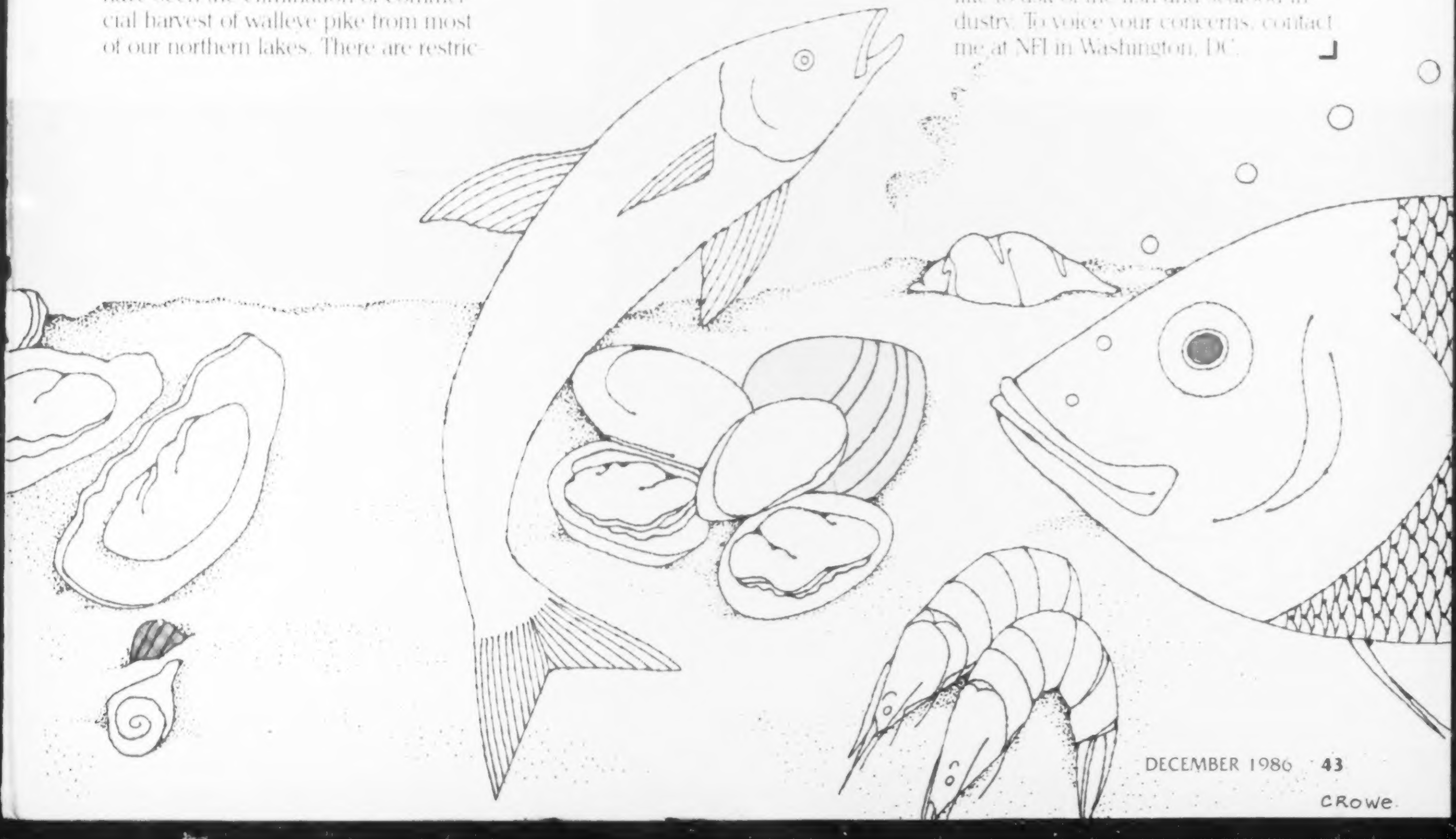
We do not and cannot object to conservation measures that are employed on the basis of scientific management principles. These can include restrictions on the size of the product allowed to be caught, the seasons in which it can be caught and the tonnage which can be taken. But we do object totally to the exclusion of commercial fishing because, one by one, the products that you serve are going to be reserved for minority interests, and the commercial user will be dependent more and more upon imported products.

Use new species. A third area in which we need your help is in innovative use of new species. Here you have already shown yeoman-like performance which is benefiting you in more exciting menus and the ability to offer more extensive taste experiences to your customers. As we reach the limits on the availability of the accepted resources, we must look at new species. There are many ocean fish presently not popular but which can be made available in some cases in large volume. How many years ago would someone have thought of an orange roughy on the menu or shark or mussels or tilefish or monkfish? What was relatively uncommon a few years ago, now is considered to be rather routine.

So we invite you to look at such species as farm-raised catfish, Alaska pollock, mackerel and the many forms of fresh tuna to add variety to your menus.

Your innovation, too, must take advantage of the new information flowing from the medical research laboratories. The benefits of the polyunsaturated fatty acids found only in fish can be negated by too much saturated fat in the serving. So we urge you to use your skills to take advantage of what nature is providing and bring the food to the table in a manner that does not detract from the healthful characteristics of the product itself.

I am sure there are things you would like to ask of the fish and seafood industry. To voice your concerns, contact me at NFI in Washington, DC. ┘



Fisher's Law #78

"You're de-hired!"

One of the least desirable tasks faced by managers is the firing of a subordinate. I have known many otherwise competent, aggressive managers who simply could not, or would not, take the action themselves to terminate an employee, deserved though it may have been. Instead, they delegated the task to someone else, thereby avoiding personal contact with the subordinate getting "the news." In other circumstances, I have observed managers calling together a committee to diffuse the responsibility of telling the subordinate of the action that is being taken to separate him or her from the organization.

Termination, when necessary, justified and documented, is a management responsibility, and it should not be avoided. Adept managers need to shoulder the distasteful tasks of organizational life, just as they do the delightful ones. A one-shouldered manager, figuratively speaking, is unbalanced.

Four circumstances for termination

There are four sets of circumstances where termination action is called for: The first three should cause no anxiety; the fourth generally calls for some soul searching. The first three are deceit, theft and disloyalty. The fourth circumstance is incompetency.

☐ **Deceit.** Deceit can be outright lying, or it can be the selective omission of facts calculated to lead management in a direction that is different from what would otherwise have been the case. Some people twist the truth, embellish it or tell only a portion of it. That's insidious.

☐ **Theft.** Theft is both tangible and intangible. Tangible theft is the stealing of inventory, supplies or equipment; cheating on expense reports, and so forth. Intangible theft is the pilferage of time, such as calling in sick when one is well or taking a business trip that is unnecessary or has more personal gratification attached to it than organizational benefit.

☐ **Disloyalty.** Disloyalty to the organization can include giving confidential information to competitors, "competing" with the company and/or violating company policies. Moral turpitude and drug dealing are two of many examples.

Such personnel actions require correct handling, that is, warnings for minor situations and suspension or termination for more serious breaches. Human resource professionals call this approach "documented progressive discipline." A good way to handle some cases, I have found, is to confront the individual and take immediate action. For example, you might say, "There is a serious and clear violation of policy that has occurred, and it is in your best interest, as well as this company's, to effect an immediate transition."

You really do need to act fast, for keeping the individual on the premises can lead to a destructive backlash and possible sabotage, and it can contaminate morale among other employees. While the situation should be handled rapidly, it should also be handled as quietly as possible to minimize disruption.

☐ **Incompetency.** The more difficult area is where the individual is incompetent. It may have been a gradually developing incompetence (time has passed him/her by), a misfit of person and function ("a square peg trying to fit a round hole"), an incompetent recruitment and selection or an uncharacteristic lapse of business responsibility, attention to duty or sensitivity to decision making. If the person's performance is not correctable, then severance action needs to be taken. Here is one way to handle it.

Visit the individual in his/her office, early in the day, early in the week and close the door. By going to his/her office, you can leave when you are finished—a necessary element of control. It also keeps the individual in a comfortable environment, that is, his/her office. Not having to walk out of your office spares the employee the feeling that everyone in the organization is looking, etc.

What to say when you de-hire

When you are behind closed doors, you can tell the individual, "What I am going to say to you will not be pleasant for you to hear nor is it pleasant for me to say. I'll be professional on my part. I hope you will be likewise. I have been dissatisfied with the progress and course of events as they have occurred in the past several months. As you know, attainable objectives have not been met, and the overall direction in which we are currently headed in your function is not acceptable. Accordingly, I have made an irrevocable decision to make a change that I believe to be in the organization's best interest as well as yours. I am directing you to take immediate steps to seek other employment. I would like for that to be effected no later than two months from today, and I will be pleased to receive your written resignation.

"In return for this opportunity, we expect continuing loyalty and high regard from you for the organization and all of the people who comprise it, both individually and collectively. If we determine that such is not the case, then other action by us will be taken immediately.

"I will document this conversation in a confidential letter to you, which will also include other details related to your separation, such as accrued vacation, termination provisions of group insurance coverage and so forth.

"Understandably, what I have just said to you is distressing, but let me also say that I regard this as a 'de-hiring action' and not a 'firing action,' which is in your best career interest and the organization's long-term interest.

"We are intent on effecting this change in a professional manner and expect that this approach will be reciprocated by you. Our human resources department stands ready to assist you with appropriate matters and to answer any questions you may have. I am sincere when I say, 'Thank you for the service you have provided to the organization, and I wish you well in the future.'"

Fisher's Law #78: There is a time to fire, and there is a time to de-hire. The adept manager can distinguish the difference.

1 NEW ENGLAND

Location: Camden, ME
NRA member: Keith May, Paul McGurren
Operation: Peter Ott's Tavern and Steak House
Profile: Fullservice
In business: 12 years
Seats: 85
Meals served: Dinner

"Although not quite the boom year that everyone in Maine expected, 1986 was probably the best year we have ever had," says **Paul McGurren,** manager and part owner of Peter Ott's Tavern and Steak House. The restaurant is located "quite a ways" up the Maine coast in a restored 19th-century brick building that formerly housed a car repair garage.

Peter Ott's opened in 1974 as a steak house, but successfully diversified as Camden's restaurant market became more competitive. Today, dishes such as *Teriyaki Sirloin* and *Steak Dijonese* are complemented by international gourmet dishes and local seafood.

McGurren says that Peter Ott's tries to tailor its menu to the season, serving "what's good, when it's good." Peter Ott's is also responsive to patrons who are looking for more nutritious, wholesome foods. The restaurant has added low-calorie items, such as a homemade cucumber dill salad dressing. In addition, the chefs will custom cook whenever possible, often using ingredients a customer brings to the restaurant.

2 MID-ATLANTIC

Location: Hazleton, PA
NRA member: Harry Costas
Operation: Coney Island Incorporated
Profile: Fullservice
In business: 64 years
Seats: 110
Meals served: Breakfast, lunch, dinner

Hazleton, a city of 28,000 known as "the Gateway to the Poconos," has been inundated recently by fast food restaurants. "Fortunately," says Coney Island owner **Harry Costas,** "the local economy is strong enough that, by working hard, we've managed to do well." The increased competition has forced Costas to closely watch labor and food costs in order to fine-tune his operation.

Coney Island was founded in 1922 as an old-fashioned Coney Island hot dog shop. Today, the textile workers, shoppers and businesspeople who frequent the restaurant find a low-priced, contemporary operation with a varied menu that includes spareribs, tacos, and gyros.

And what about the all-American favorite that gave the restaurant its name? Costas has taken advantage of the frankfurter's recent popularity resurgence by expanding his selection to 28 varieties of hot dogs, from knockwurst to kielbasa. The traditional *Coney Island Frank,* topped with mustard, onions and chili, is still a big seller. Other favorites are the *Penn State,* a foot-long dog with sauerkraut, cheese and mustard, and the *California,* made with nacho cheese, lettuce, tomatoes and onions.

3 SOUTH ATLANTIC

Location: Longboat Key, FL
NRA member: Edith Barr Dunn, Kenneth H. Barr
Operation: Shenkel's
Profile: Fullservice Welsh American restaurant
In business: 27 years
Seats: 150
Meals served: Breakfast, lunch, dinner

"A lot of local restaurants seem to be crying the blues, but our business is fantastic," says **Edith Dunn,** owner of Shenkel's.

Shenkel's weathers occasional fluctuations in the economy, says Dunn, because the restaurant is so well established. She seldom does any advertising or promoting, although she recently celebrated the restaurant's 27th year of business by offering certain menu items at their 1959 prices.

Shenkel's is located on Longboat Key, a 10-mile-long island that is connected to the mainland by a bridge. Customers who make the short drive across the bay enjoy chicken potpie, steak and chops as well as Dunn's Welsh specialties. *Welsh Surprise,* one of the favorites, is made by broiling chopped beef and bacon bits and then smothering the mixture in a bacon and cheese sauce.

4 EAST NORTH CENTRAL

Location: East Lansing, MI
NRA member: David Scholten, Linda Cecil, Paul Dewyse
Operation: Harrison Roadhouse
Profile: Fullservice American
In business: 5 years
Seats: 150
Meals served: Lunch, dinner

1986 has been a good year, says manager **Chuck Hartman,** both for Harrison Roadhouse and for the local Michigan economy. As in much of Michigan, the local economy is largely dependent upon the automobile industry, and it has started to stage a comeback.

Autos also figure prominently in the history of Harrison Roadhouse—the five-year-old restaurant is housed in a converted Shell gas station. The facade has been redone in brick, and the south side of the building, where the auto bays were once located, is now all glass. A front porch has been added; it is a strong draw in warm weather.

The restaurant's young,

slightly upscale crowd enjoys burgers and sandwiches at lunch and steak and seafood at dinner. Pasta and stir fry dishes are also popular.

5 EAST-SOUTH CENTRAL

Location: Gulf Shores, AL
NRA member: Shirley Perdew, Wayne Perdew
Operation: Shirley & Wayne's
Profile: Supperclub
In business: 5 years
Seats: 350
Meals served: Dinner

At Shirley & Wayne's, a supper club located on Alabama's gulf coast, the owners are "very happy about 1986." Mid March to October was especially lucrative, says co-owner **Shirley Perdew,** because tourists flocked to the Gulf Shore's beaches.

Shirley & Wayne's is a three tiered, theater-in-the-round restaurant, with the lower level serving as a lounge and the upper levels as dining areas. The "Ton of Fun Band," which features Shirley's husband, Wayne, on vocals and fiddle, entertains nightly.

While enjoying the house band, customers dine on prime beef and seafood dishes, such as shrimp and crabmeat au gratin.

6 WEST NORTH CENTRAL

Location: Alcester, SD
NRA member: Reid Boetel
Operation: Corner Cafe
Profile: Fullservice
In business: 10 years
Seats: 50
Meals served: Breakfast, lunch, dinner

At the Corner Cafe, located in South Dakota's southeast panhandle, this year's business was better than 1985's. According to owner **Reid Boetel,** "The farmers are starting to loosen up a little. They're still fussing about the economy, but I think they're a little less worried than last year."

The farmers and businesspeople, who comprise the bulk of the cafe's clientele, order from a menu that includes standard cafe fare. Breakfast foods, sandwiches, salads and luncheon specials, such as shrimp and chicken nugget platters, are all equally popular.

More unusual than the menu is the cafe's name because the Corner Cafe is not on a corner. Boetel explains that the original owners decided to retain the cafe's name when they moved from the corner to a space in the middle of the block.

Boetel's mother helps manage the cafe and also bakes its signature pies. Boetel has noticed, however, that "people are staying away from the sweet stuff now that weight consciousness has become a big factor." The cafe's customers now consume only one or two pies each day, down from five or six when the Corner Cafe first opened.

7 WEST SOUTH CENTRAL

Location: Lafayette, LA
NRA member: Richard Rivet
Operation: Chris' Poboys
Profile: 4-unit, sit-down restaurant
In business: 8 years
Seats: 50 to 130
Meals served: Lunch, dinner

"A few years ago, the future looked real bright around here," says **Richard Rivet,** owner of Lafayette's four Chris' Poboys. "But right now it's as bad as I've ever seen it because as the oil industry goes, so goes Lafayette."

Sales at Rivet's inexpensive restaurants have plummeted 40 percent in the last few years. When Lafayette's economy first began to weaken, people traded down to less expensive restaurants such as his. But the situation has worsened, and the only silver lining Rivet finds is that he has "really learned how to run a tight operation."

Chris' Poboys offers 10 different poor boys, the New Orleans version of the submarine sandwich. Shrimp and roast beef are the two biggest sellers, but Rivet points out that the key to a superior poor boy "is not in the ingredients, but in the French bread." He gets his foot-long rolls from a small bakery in Breaux Bridge, 15 miles outside Lafayette.

8 MOUNTAIN

Location: Burley, ID
NRA member: Cloyd Taylor
Operation: Price's Cafe
Profile: Fullservice
In business: 62 years
Seats: 350
Meals served: Breakfast, lunch, dinner

In the small farming community of Burley, the local economy is "on the fair side." But business is as steady as ever at Price's Cafe, a well-established family restaurant that has never operated in the red in any of its 62 years.

Cloyd Taylor, the cafe's third-generation owner, likes to serve "down-to-earth, good country food." Many of his customers are regulars, who eat from one to three meals a day at Price's. They enjoy lots of homemade items, such as cinnamon rolls and bran muffins.

An all-you-can-eat buffet is extremely popular. Taylor keeps it filled with a variety of salads, fresh vegetables and hearty items, such as roast beef, ham and barbecued and fried chicken. Customers can also order a la carte, and Taylor is happy to accommodate them if they have special requests.

9 PACIFIC

Location: Gold Beach, OR
NRA member: Joseph C MacPherson, Emma Lou MacPherson
Operation: The Golden Egg
Profile: Fullservice
In business: 9 years
Seats: 65
Meals served: Breakfast, lunch, dinner

"1986 was a real good year," says **Emma MacPherson,** co-owner of The Golden Egg. The local economy is "doing better than it was," and the restaurant's summer business was boosted by tourists going to and from the Expo in Vancouver.

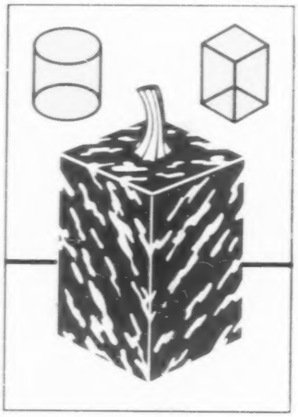
Located on Oregon's southwest coast, The Golden Egg specializes in omelets and seafood, sometimes in combination. One of the most popular dishes is the *West Coast*, an omelet containing crabmeat, shrimp, mushrooms and local cheddar cheese.

In 1986, The Golden Egg owners made several changes to respond to industry trends. They attracted mature customers by offering senior citizens discounts, and they introduced a light menu to appeal to the health-conscious. In addition, MacPherson installed a RAIR oven because she felt that people were shying away from fried foods. She uses the oven, which fries food with hot air and pressurized steam rather than oil, for such dishes as french fries, barbecued ribs and chicken.

—*David Slater*

Geometric, embossed vegetables

Over the past few years, the public's fascination with freshness and nutrition has made vegetables "in" foods. New varieties have been introduced, and vegetables have been scaled down to petite proportions. Now, a North Carolina grower has developed a process for altering the shape of vegetables. The farmer reportedly places molds around developing blossoms to create vegetables of predictable sizes and shapes. The molds can even be embossed with a logo.



This year's products included square-shaped zucchini, cucumbers and, for Halloween, pumpkins. Because of high demand, however, square tomatoes and melons will become available next spring along with, perhaps, a few pentagonal, prismic and triangular varieties. The 15,000 pieces produced so far fell far short of demand even at the hefty price of four dollars per piece.

—Advertising Age

An herbal preservative for fats?

In the Middle Ages, soldiers going to war gave their wives a pouch of dried rosemary to remember them by. Just as the herb's powerful aroma was believed to preserve love, scientists today have discovered rosemary can help keep fats from becoming slightly rancid and developing an off-taste.

Two Rutgers University chemists, Stephen Chang and Chi-Tang Ho, have found a way to extract rosemary's preservative benefit without its strong, biting flavor. The extract, diluted to .02 percent, is said to preserve foods as well as any chemical available today, including synthetics such as BHA and BHT. Furthermore, it takes 10 times as much rosemary extract to reach the toxicity level of synthetics.

—American Health

For culinary bookworms

In the historic Ansonborough section of Charleston, SC, Thanksgiving marked the opening of Hoppin' John's, the only bookstore in the Southeast devoted exclusively to the world of food. Named after the famous soul food dish of rice and cowpeas traditionally served in the South on New Year's Day, Hoppin' John's is also a play on the name of its owner, John Taylor.

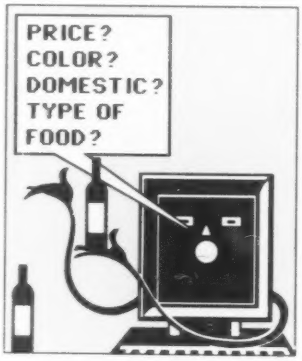
Taylor, the former food editor of the French magazine *Ici New York*, apprenticed in Kitchen Arts & Letters, a culinary bookstore in New York, NY. Hoppin' John's opened with 2,000 titles, which, according to Taylor, is 10 times the number of cookery books the average bookstore carries.

The bookstore will carry both new and out-of-print books and will provide a book-search service, recipe searches and mail orders. The inventory will include cookbooks, books about wine, hunting, fishing and gardening; its own line of greeting cards; packaged food products; antique food; drinks; and custom-designed knives.

—Highfield & Richardson

A computerized wine steward

Customers unsure of which wine to select for their dinner don't need to fret any longer. They can ask the Wine Steward. No, not the sommelier in a restaurant but a computer at the Futurestore in Lilburn, GA. The computer, called the Wine Steward, allows customers to first select a category of food, then the type of wine and, finally, the price range. For example, if the category chosen is poultry and the wine preference is American, the shopper selects the type of poultry and then presses another button to receive a list of three budget American wines in stock. Additional presses reveal moderately priced selections and premium wines.


PRICE?
COLOR?
DOMESTIC?
TYPE OF FOOD?

—New York Times

Good will on wheels

On Thanksgiving, Domino's Pizza loaded its delivery vehicles not with pizza boxes but with bags of canned goods. Were the employees marketing a new pizza-in-a-can? No, they were participating in Domino's Thanksgiving Canned Food Drive by hand-delivering more than 20,000 bags of groceries to needy families in 16 states.

450 Domino's stores took part in the Thanksgiving delivery campaign. Beginning Oct. 29, 1986, customers received some form of discount on any pizza purchase in exchange for a canned food donation. Domino's also solicited donations of frozen poultry, ham and other foods from retailers and distributors.

"When we started the canned goods drive in 1984, we had no idea it would grow into such a big program," said Bill Adamson, a Domino's regional director. "That year, a handful of stores collected enough food to fill 800 grocery bags."

—Point Communications

Many of our greatest success stories begin right at the beginning. And continue happily on in the special world of America's Hospitality Industry.

JUST THE BEGINNING!

OURS IS A SPECIAL WORLD!
AMERICA'S HOSPITALITY INDUSTRY
TOMATO SAUCE

Ours is a Special World
America's Hospitality Industry
This promotion has a message for your employees as well as for prospective foodservice employees. You have the opportunity to introduce this morale boosting campaign in your establishment. For more information call the **National Restaurant Association, 800/424-5156.**

"Ours Is A Special World" and "America's Hospitality Industry" are service marks of the National Restaurant Association and used by related hospitality associations.

THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION

VOL. 7 ☐ NO. 1 ☐ JANUARY 1987

RESTAURANTS USA

A5200-1
1/13/87

MIDSCALE RESTAURANTS

ASSOCIATIONMEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management
1/20 Pawtucket, RI
2/3 New Orleans, LA
2/18 Rosemont, IL
2/19 Minneapolis, MN
3/19 Boston, MA

Increasing Sales: Effective Front-of-the-House Management*
2/2 Winnipeg, Manitoba, Canada
3/31 Portsmouth, NH
**Formerly Dining Room Management: Sales and Service*

Kitchen Management
1/22 Schaumburg, IL
1/26 Baltimore, MD
3/2 Oak Brook, IL
3/9 Shreveport, LA

People-Power and Profits
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3/10 Tucson, AZ

Tools for Training
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3/19 Los Angeles, CA
3/20 Burlingame, CA

Food Production Courses

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3/24 St. Paul, MN

Simplified Baking Workshop
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2/12 Sacramento, CA
3/24 Atlantic City, NJ

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3/1 Washington, DC
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2/23 Newark, NJ

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3/30–31 King of Prussia, PA

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2/11 Vienna, VA
3/9 Portland, OR

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2/18 Nashville, TN
3/24 Pittsburgh, PA

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3/24 Calgary, Alberta, Canada
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3/19–20 Denver, CO

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3/25–26 Chicago, IL

S.A.F.E.
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3/11 Cleveland, OH

Stress and Foodservice
3/25 San Antonio, TX
3/26 Dallas, TX

Wine and the Bottom Line
1/27 Toronto, Ontario, Canada
2/25 Stamford, CT

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Independent Foodservice Operators' National Conference
1/18–21 San Francisco, CA

National Conference on Computers in Foodservice
3/8–11 Dallas, TX

Conference on Planning and Financing Restaurant Growth
4/5–8 Los Angeles, CA

If your company is interested in In–house Programs, call or write to the attention of Ed O'Hare at the above address.

For more information, contact National Restaurant Association Education Programs 311 First St., N.W. Washington, DC 20001 (800) 424-5156 or (202) 638-6100

STUDY GROUP MEETINGS

Labor Relations
1/29–30 Washington, DC

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4/1–3 San Diego, CA

Tax Executives
4/1–3 San Diego, CA

MIS (formerly EDP)
4/7–12 Orlando, FL

Internal Audit
4/21–24 Orlando, FL

Quality Assurance
4/22–24 Denver, CO

MAECO
5/13–15 Chicago, IL

Marketing Executives
5/13–16 Chicago, IL

Foodservice Purchasing Managers
5/14–15 Chicago, IL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

Published by the National Restaurant Association

USA

VOL. 7 NO. 1 JANUARY 1987

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Restaurants USA (ISSN 0465-7004) is published monthly, except combined June July issue, by the National Restaurant Association, 311 First St., N.W. Washington, DC 20001. $25 of membership dues includes a one year subscription to ***Restaurants USA.*** The non member subscription fee is $125 per year. Second class postage paid at Washington, DC 20001 and additional mailing offices. Copyright © NRA 1987. Postmaster, send address change to ***Restaurants USA***, 311 First St., N.W. Washington, DC 20001.

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PRESIDENT'S REPORT

G. "Jim" Hasslocher, President
Frontier Enterprises, San Antonio, TX

What's to come in 1987

Welcome to 1987. This year should prove to be both exciting and challenging for the foodservice industry. On the one hand, foodservice sales are expected to reach $197.5 billion—a 6.4-percent increase over 1986; on the other hand, new and proposed legislation from Capitol Hill could have far-reaching effects on the industry.

The new tax "simplification" law, for instance, threatens our sales and growth potential. The reduction of the business meal deduction to 80 percent is only one small section of the tax bill, yet it alone could cost the industry up to $8.9 billion on lost sales for 1987.

Program aimed at maintaining business meal

To combat the potential effects of the business meal tax reduction, the National Restaurant Association is preparing a marketing program to promote the business meal in restaurants across the nation. The association will need your assistance in reminding Americans about the effectiveness of doing business over a good meal in a restaurant. A special issue of the association newsletter *PRO-Motion* will be sent to all members. *PRO-Motion* dispels the notion that business meals are the exclusive domain of upscale, high-ticket restaurants. You'll find dozens of marketing techniques for promoting business meals targeted to your type of operation. Look for *PRO-Motion* in the mail at the end of January.

Tip allocation procedures amended

Employers should also note that the new tax law changes tip allocation procedures. Operators with 25 or more full-time employees may no longer use the IRS hours-worked formula for allocating tips. Alternatives are outlined in "Washington Report" in this issue.

Employers must check work-status

"Washington Report" also discusses the 1986 Immigration Bill which went into effect last December. It requires employers to check employee documentation for authorized work status in the United States. Although there is a six-month "education" period, employers are currently expected to comply with immigration agency procedures. As of June 1, 1987, non-compliance could lead to fines as well as possible criminal procedures.

Hourly wage rate survey available

On other employee matters, the National Restaurant Association has just completed its survey of employee hourly wages. The survey breaks down current wage rates for foodservice employees on a state-by-state basis. Results of the survey will be available to association members by the end of this month. If you are interested in finding out what the average wage rates are for hourly foodservice employees in your state, contact the National Restaurant Association's Information Service and Library in Washington, DC.

Operations survey response requested

Key members of the association will be receiving their copy of the *1987 Restaurant Industry Operations Survey* questionnaire in mid-January. Please complete the survey and return it as soon as possible. Responses to the survey will be compiled into the *1987 Restaurant Industry Operations Report.* All members who complete and return the survey will receive a free copy of the report when it becomes available. Please return your survey as soon as possible.

Look for 1987 Great Menu Contest entry form

Look for the 24th Great Menu Contest entry form in the mail this month. Be sure to enter your menu by the deadline, Feb. 28, 1987. Winning menus become models for the entire foodservice industry. They will be displayed at the National Restaurant Association Restaurant Hotel-Motel Show in Chicago in May.

Winners of last year's Great Menu Contest are included in the full-color, hardcover book *Menu Design 2*, published by PBC International in collaboration with the National Restaurant Association. For more information about the publication, see "Short Orders" in this issue.

Wine festival offers educational programs

If you offer wine in your establishment, you should have already registered for the association-sponsored 1987 Monterey Wine Festival, scheduled for March 8–11 in Monterey, CA. More than 170 wineries are participating in the festival programs. For more information about the conference, which includes workshop and seminar sessions, see "Short Orders," the registration form included in this issue and the back cover.

Restaurant growth conference scheduled for April

The National Restaurant Association and Laventhol & Horwath are co-sponsoring the Conference on Planning and Financing Restaurant Growth. It will be held April 5–7, 1987, in Los Angeles, CA. This conference marks the first time leading industry representatives and financial experts will come together specifically to address the benefits and pitfalls inherent in restaurant growth.

Conference topics will include trends ripe for expansion, leverage buy-outs, mergers and acquisitions, franchising, planning a budget, franchising, financing, going public, investment portfolios and selling the business. Look for information on the conference in the mail.

Association computer conference focuses on software

Don't forget to register for the association's National Conference on Computers in Foodservice, to be held March 8–11, 1987, in Dallas, TX. In addition to vendor demonstrations, this year's program will focus on computer software. Register today.

During December, 140 foodservice operators and allied suppliers joined us as members of the National Restaurant Association. Welcome. Your participation in the association will make your business grow and will make the association more effective in its endeavors on your behalf.

G. Jim Hasslocher

G. "Jim" Hasslocher
President and Chairman of the Board

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Cover photograph by Gary Landsman

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SHORTORDERS

Monterey Wine Festival update

If you are interested in increasing your wine sales, expanding your wine list or just learning more about wine, the National Restaurant Association–produced Monterey Wine Festival is one conference you won't want to miss. With 174 wineries already scheduled to participate (see list on back of registration form between pages 46 and 47), the March 8–11 festival is shaping up to be one of the most informative wine events of the year.

Besides an impressive array of exhibitors, the festival will offer a host of seminars, tastings and other special events. Educational programs will cover a broad range of topics, including a discussion of current food and wine trends by Julia Child and several top California chefs, wine training techniques for staff, an overview of some of the most successful restaurant wine programs and technical discussions of current legislative and research trends.

For more detailed information about the conference, contact the National Restaurant Association, 150 N. Michigan Ave., Chicago, IL, 60601; (312) 853-2525 or (800) 247-4448. A registration form is included in this issue for your convenience between pages 46 and 47. Simply pull it out and mail it.

1986 Great Menu Contest winners showcased in new book

Some of the most exciting menus of the last few years are showcased in *Menu Design 2.* This handsome, hardcover coffee table book, published by PBC International in coordination with the National Restaurant Association, includes more than 200 full-color menus, many of which were award winners in the association's 1986 Great Menu Contest.

In addition to demonstrating trendsetting graphics, author Judi Radice explains menu design techniques through interviews with recognized design and restaurant professionals. The volume is an invaluable reference for anyone involved in menu planning and production.

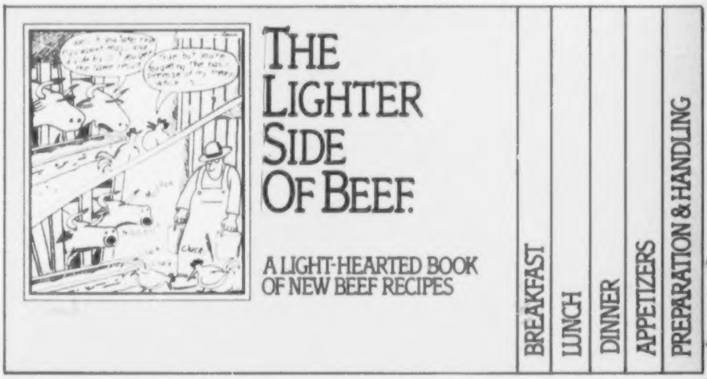
Menu Design 2 is available to association members for $44.95, which reflects a 10 percent discount off the list price. To order, send $48.45 (which includes $3.50 for shipping and handling) to PBC International, Inc., One School St., Glen Cove, NY 11542. Be sure to identify yourself as an association member.

In addition, be on the lookout for your entry form to the 1987 Great Menu Contest. The entry deadline is February 27, 1987.

New ventures in good eating

How do restaurateurs cater to thousands of registered dietitians? By tempting them with innovative, healthful meals. Last October, chefs at 13 Las Vegas, NV, restaurants featured dishes low in salt, fat, sugar and cholesterol in honor of the 7,000 registered dietitians who attended the annual meeting of the American Dietetic Association (ADA). The program, "New Ventures In Good Eating," was coordinated by the Dietetic Association and Carolyn Leontos, a Dietetic Association member and Las Vegas resident. "All the featured recipes met the U.S. dietary guidelines. We were attempting to show consumers that healthful dining out can be satisfying to their palates," Leontos explained. According to the ADA, a similar program is planned for next year's meeting in Atlanta.

A new light on serving beef


THE LIGHTER SIDE OF BEEF.
A LIGHT-HEARTED BOOK OF NEW BEEF RECIPES
BREAKFAST
LUNCH
DINNER
APPETIZERS
PREPARATION & HANDLING

To help celebrate National Meat Week (Feb. 1–7), the Beef Industry Council has developed "The Lighter Side of Beef," a light-hearted collection of light beef recipes, complete with cow caricatures from cartoonist Gary Larson's "The Far Side." The booklet does have a serious side, however, with information regarding lean cuts for light cooking, low-calorie cooking tips and calorie counts for each recipe. Booklets are available at no charge from the Beef Industry Council, 444 N. Michigan Ave., Chicago, IL, (312) 467-5520.

Diner trend captures national press

As the cover story in the November 1986 issue of **Restaurants USA** points out, diners are one of the hottest trends in the restaurant industry. But we weren't the only ones who noticed. Recently, magazines such as *Smithsonian, Newsweek, Interior Design* and *Entrepreneur* have joined *Restaurants USA* in celebrating the revival of the diner.

Entrepreneur, which is geared toward people interested in starting their own businesses, singled out the 1980s version of the 1950s diner as one of the 10 hottest business opportunities for 1987 (and beyond) in its December 1986 issue.

Besides making the top-10 list, the diner was also highlighted as the "opportunity of the month." A feature article looked at restaurateurs who have developed "new" diners and included statistics on start-up costs and average profits.

Recognizing the growing interest in diners, *Entrepreneur* has even added a manual on developing a diner to its step-by-step, start-up series.

Immigration reform law brings new recordkeeping, penalties

Sweeping immigration reforms were signed into law by President Reagan on Nov. 6, marking the first time in 30 years major changes have been made to U.S. immigration policy.

As reported previously, the new law contains penalties against employers who knowingly hire illegal aliens and requires employers to examine and verify employee identification cards as part of their hiring procedures.

Although many parts of the new law were effective the day the President signed the bill, the employer provisions do not start in earnest until June 1, 1987. A six-month "education" period began on Dec. 1, 1986, during which no penalties will be assessed against employers. During the following 12-month period beginning on June 1, warning citations will be issued for first offenders. Following the receipt of a citation, an employer is subject to civil penalties, even if the 12-month "citation" period has not expired.

David Nachtsheim of the U.S. Immigration and Naturalization Service, center, discusses the new immigration law and its effect on foodservice operators with Washington representatives from several major foodservice chains during the National Restaurant Association's recent Action Task Force meeting. Shown here (l–r) are: Pfil Hunt of Morrison, Inc.; Cliff Raber of McDonald's Corp.; Jim Rogers, director of the association's government affairs department; and Bruce Cotton of Jerrico, Inc.

Employer penalties

5

Under the new law, an employer convicted of knowingly hiring or referring for hire an illegal alien will face a fine of $250 to $2,000 per illegal alien for the first offense, $2,000 to $5,000 for the second offense and $3,000 to $10,000 for the third offense. Persons convicted of "pattern or practice" violations will face a $3,000 fine and/or six months in prison for each illegal alien.

Employers will be required to verify that new hires are not unauthorized aliens by examining one of the following documents: U.S. passport, certificate of U.S. citizenship, certificate of naturalization, unexpired foreign passport or resident alien (green) card.

If a prospective employee does not have one of the above, he may present a combination of ID cards showing authority to work and identity, such as a birth certificate or a Social Security card and a driver's license or a state-issued identification card. Note: No documents have to be checked until a final decision to hire has been made by the employer, and the law gives employees 24 hours after they are required to produce the necessary documentation.

Verification forms

Employers must attest that they have examined an employee's identification card and that the document "reasonably appears on its face to be genuine." The Immigration & Naturalization Service (INS) will provide verification forms for this purpose. Employers will check off which documents they have examined and then will sign the form, attesting under penalty of perjury, that they have complied with the document verification requirement. Prospective employees are also required to attest in writing that they are authorized to work in the United States.

The verification forms must be kept on file and made available to INS or Labor Department agents, if requested. The forms must be kept for three years, starting the date an employee is hired, or for one year after an employee is terminated, whichever is later. Employers who fail to keep proper records face a fine of $100 to $1,000 per employee.

It is important to realize that the new recordkeeping requirements and employer sanctions apply only to employees hired after the enactment date. Also, employers will be relieved from verifying a worker's credentials when a state employment agency has done so, and the worker has retained a certification of such verification.

The bill also establishes a Justice Department Office of Special Counsel to investigate and prosecute any charges of discrimination stemming from unlawful immigration-related employment practices. Remember, it is illegal to discriminate against legal residents. However, the law does allow an employer to hire an American citizen over an immigrant when both are equally qualified.

The government will be required to notify alleged violators of discrimination infractions and, upon request, grant a hearing within 30 days before imposing any penalty. The penalty may be challenged in federal appeals court.

Changes in tip allocation now in effect

The National Restaurant Association will work for restoration of the "hours-worked" method of tip allocation when the 100th Congress convenes later this month. In the meantime, the association is recommending that operators who wish to continue using the hours-worked method make it part of a "good faith" allocation agreement.

Existing law requires operators to allocate tip income to servers whenever total tips reported amount to less than eight percent of gross sales. According to Internal Revenue Service (IRS) regulations, allocations should be made on the basis of a "good faith" agreement between the employer and his employees. If there is no agreement, then the regulations provide for two alternative methods: the *hours-worked* method and a *gross-receipts* method. (See related story on tip reporting in this issue's "The Law" on page 10.)

Under the hours-worked formula, the employer allocates tips based on the number of hours each waiter or waitress has worked. The gross-receipts method requires the employer to allocate tips based on the amount of sales attributed to each server.

The Tax Reform Act of 1986 contains a provision disallowing the use of IRS's hours-worked allocation formula for restaurants with the equivalent of 25 or more employees. The change in the law went into effect Jan. 1.

The change could force many restaurateurs to resort to the gross-receipts method of allocation, which the National Restaurant Association believes will be especially burdensome to operators who do not have computerized cash registers capable of breaking out sales for individual servers.

The association believes that affected operators could continue allocating on the basis of hours if their employees agree to such an allocation formula as part of a good-faith agreement. Under such an agreement, the employer is free to use an allocation method of his choosing, provided at least two-thirds of the employees agree to it and it reflects a "good-faith approximation of the actual distribution of tip income among such tipped employees."

The association has discussed this approach informally with IRS, and IRS has raised no objections.

The Job Training Partnership Act can help meet industry employment needs

The Job Training Partnership Act (JTPA), the cornerstone of the Reagan administration's job-training agenda, was passed by Congress in 1982, and it took effect Oct. 1, 1983. Now, three years later, many businesspeople—foodservice operators included—are just beginning to learn how this federal program can answer some of their employment needs.

Public/private partnership

JTPA changed the nature of government efforts to bring disadvantaged Americans into the economic mainstream through job training and employment assistance. JTPA funds are used to train individuals with low incomes, the unemployed, those with physical and/or mental handicaps, ex-convicts and displaced homemakers, among others, for private sector work.

JTPA is based on the assumption that local businesspeople know better than anyone else where the job openings are and how workers should be trained to fill the open spots. The act, therefore, established local private industry councils (PICs) to work with local governments in disbursing federal job-training dollars.

Approximately 600 PICs operate around the country. By law, more than half of the PICs' members must come from the business community. Business representatives are nominated by their companies and appointed by local elected officials. Other PIC members may include educators, labor leaders and representatives of public employment services and community groups.

PICs evaluate local job-training needs, choose the local training organizations that will run the actual training programs and then monitor the success of the training programs.

The Washington, DC, PIC, for example, held an "industry forum" to determine how the District of Columbia foodservice industry could use JTPA funds. Acting on the advice of local chefs, the PIC then contracted with a local trainer to run a training program for cooks. Now in its fourth year, the program is overseen by the PIC and an industry advisory committee that offers continuing curriculum suggestions.

Training programs accommodate needs

The Department of Labor channels JTPA dollars to the state governments, which then distribute money to "service delivery areas" (SDAs) within each state. The SDAs funnel money to local PICs.

Seventy percent of PIC funds must be used for training programs. JTPA caps administrative costs at 15 percent, and the remaining 15 percent can be used for support services—subsidizing trainees' child care and transportation expenses, for example.

Most training program participants are "economically disadvantaged," but 10 percent of the money is set aside for workers facing some other type of employment barrier. Forty percent of the regular training funds is designated for youth; the act also establishes a separate summer youth program.

Goodwill Industries—a recipient of JTPA funds—trained Ricky Smith for his job at a Saga (Marriott Corporation) cafeteria in Chicago, IL.

JTPA can fund a variety of programs:

☐ it can subsidize on-the-job training (thus covering some of the extra costs involved in training hard-to-train workers)

☐ it can provide pre-employment remedial education aimed at improving workers' ability to follow written and oral instructions and

☐ it can work with businesses to design and fund customized training programs.

Working with restaurants

A Portland, OR, training organization, Pacific Business and Futures Inc., contracts with PICs to offer two-to-six-week restaurant management training programs to disadvantaged workers. Pacific Business and Futures recruits the eligible trainees as well as teaches the courses.

Over the last three years, the training program has evolved into a three-part seminar. The first portion provides pre-employment training, where participants learn general work skills, such as how to reach long-term goals. The second portion provides operational training, and the third section offers management training. Trainees receive no stipend for their participation.

One measure of the seminar's success is its placement rate. In a recent class, 88 of 104 participants were placed in jobs and, after three months, 74 of these were still employed. Sharon Darcy, co-owner of Pacific Business and Futures, says her organization is successful because it works so closely with businesses—learning their needs, seeking their advice on course content and securing their commitment to hire the trained workers.

Joseph Angel, a Burger King franchisee operating 26 units in Portland, OR, and Vancouver, WA, has hired these trainees and also serves on a PIC. He spoke highly of the program: "If people want to work and learn, the program really works for them. . . . We've been pleased, and the employees have been pleased to find work that offers some real responsibility."

The Washington, DC-based Marriott Corporation (1,800 units) is firmly committed to the federal job training effort. The JTPA program has been "an additional source of employees at a time when they're really needed and a way to build a stronger, better-trained work force," says Mark Donovan, the company's regional coordinator for the Northeast.

A results-oriented approach

One of the reasons for the high retention rate is that funding for JTPA programs is tied to certain performance standards. Seven percent of a state's JTPA grant may be held as "incentive pay" for those SDAs with good records in combating unemployment and removing people from welfare rolls. At a more local level, PIC payments to training organizations may be contingent upon the number of students enrolled, the number who complete the program, the number placed in private-sector jobs and the post-program retention rate.

"Incentives are double-sided," said Mike Schrader, vice president of human resources for the 1,100-unit Denny's Restaurant chain based in La Mirada, CA. "The trainers have a real incentive to do well, and employers are given excellent incentives and opportunities to choose from an often overlooked pool of workers. The trainers really concentrate on meeting our needs and on finding candidates who can do the job we need to have done. I very much believe in the program."

—Denise Roach

JTPA can work for you

The National Alliance of Business (NAB) is a nonprofit corporation that advises Congress on job-training policy matters and encourages businesses to become more involved in JTPA. Through its seven regional offices, NAB monitors job-training systems already in place in different businesses around the country. Regional NAB representatives are a source of information on model training programs around the country, different ways to use JTPA training funds and how to become involved in local PICs. If you would like more information, contact one of the following NAB offices:

☐ **New England** (CT, ME, MA, NH, RI, VT); (617) 235-1332

☐ **Atlantic** (DE, DC, MD, NJ, NY, PA, VA, WV); (201) 524-4022

☐ **Southeast** (AL, FL, GA, KY, MS, NC, SC, TN); (404) 522-9350

☐ **Midwest** (IL, IN, IA, MI, MN, ND, OH, SD, WI); (312) 341-9766

☐ **Central** (AR, KS, LA, MO, NE, NM, OK, TX); (214) 373-0854

☐ **West** (AZ, CA, CO, HI, NV, UT, WY); (415) 391-4061 and

☐ **Pacific Northwest** (AK, ID, MT, OR, WA); (206) 622-2531.

Association asks DOL to re-examine TJTC policy

A Department of Labor (DOL) interpretation of Congress's extension of the Targeted Jobs Tax Credit (TJTC) threatens to deny many operators credits for TJTC-qualified employees they hired during the first 10 months of 1986.

Last October, Congress extended TJTC through the end of 1988 and made the credit retroactive to Jan. 1, 1986. Until the extension was enacted as part of the Tax Reform Act of 1986, TJTC was technically dead, having expired at the end of 1985.

In November, DOL directed state employment offices to begin certifying TJTC-eligible employees hired since Jan. 1, 1986; however, the DOL directive maintains that employers who did not make a request for certification during the period TJTC had expired (Jan. 1, 1986, to Oct. 22, 1986) will not receive a credit.

The National Restaurant Association considers the directive patently unfair and is pushing for a more favorable interpretation of Congress's retroactive extension of TJTC. In a letter to Labor Secretary William Brock, Association President G. "Jim" Hasslocher expressed the industry's "total dissatisfaction" with the guidelines and called on Brock to re-examine DOL's policy.

The law requires requests for certification to be filed within five days of an eligible employee's starting date. Without a certification, the employer cannot take a credit. During the period from Jan. 1 to Oct. 22, no certifications were issued because the credit was dead. Yet many local agencies continued to accept requests for certification in anticipation of the credit being retroactively extended.

Agencies in 12 to 15 states, however, told employers to stop sending requests, and agencies in other states returned the requests to employers or even discarded them. Now DOL says employers operating in these

(continued on p. 10)

Tip reporting: a reminder

by Dick Johnson

It is tip-reporting time again. IRS Form 8027, *Employer's Annual Information Return of Tip Income and Allocated Tips*, is due on February 28, 1987. It is timely, therefore, to summarize the IRS tip-reporting requirements.

While most employees know they must report their tip income to their employers, few know that they should keep a detailed daily record of their tip income. IRS Publication 531 (Rev. Nov. 1985) indicates that the employee's daily record of tip income must show the employee's name and address, the employer's name, and, if different, the establishment name, the amount of cash and charge tips received directly from customers and other employees, the amount of tips paid to other employees and the names of other employees to whom the employee paid tips. No particular form of record is required.

In addition to keeping a daily record of tip income, the IRS requires that any employee who receives tips of at least $20 per month furnish his/her employer with a *written* statement of all tips received on or before the 10th day of the month following the receipt of the tips. This requirement includes all directly tipped employees as well as all employees who receive tip income either from directly tipped employees or from a tip pool.

The employee's report must show the employee's name, address and social security number, the employer's name and address, the reporting period, the date on which the report is furnished and the total amount of tips received for the period. Again, while the IRS prescribes no particular form of report, IRS Form 4070, *Employee's Report of Tips to Employer*, is recommended, and the report should be signed by the employee.

Even though the IRS requires the employee to report tip income only once a month, an employer may require reports more frequent-

Dick Johnson is legal counsel for the National Restaurant Association. He is the author of this excerpt from the chapter on tips in the new and expanded Legal Problem Solver for Foodservice Operators. *The book and several state law supplements will be available for purchase from the association in the spring of 1987. The cost is $18.50 for members and $25.00 for non-members.*

(continued from p. 9)

states may not be able to claim a credit for employees hired during the period.

Employers are not in any danger of losing a credit if they sent a request for certification and the local agency retained it. In those cases where a timely request was made but the agency returned or discarded it, DOL says an employer can take a credit only if he can provide "clear and convincing documentary evidence of such timely filing, such as the original written request and postmark, dated certificate of mailing, state agency date stamp or a photocopy thereof." In other words, the burden is on the employer to prove he sent a request, even if the agency threw it away.

Employers that failed to make a request, either because they were told by an agency that no request should be made or that such a request would not be accepted, are simply out of luck, according to DOL.

"No one knew whether TJTC would be reauthorized or whether a new program would be retroactive," Hasslocher said in his letter to Secretary Brock. "To deny participation by employers based upon after-the-fact rules is unconscionable."

The association has encouraged its members to write Secretary Brock to protest DOL's new directive, entitled "Employment Service Program Letter No. 1-87." Send letters to: The Honorable William E. Brock, Secretary of Labor, U.S. Department of Labor, 200 Constitution Ave., N.W., Washington, DC 20210.

—*Jay Morris*

New *Tips & Taxes* training video

In an effort to ensure that your service employees comply with IRS tip reporting requirements, the National Restaurant Association, in cooperation with IRS, has released the employee video training program *Tips & Taxes*. The eight-minute video gives your employees all the information they need for using IRS Forms W-4, 4070 and 8027.

Employee and reporting responsibilities are outlined in a friendly, straightforward manner. A waitress's first day on the job is the setting for explaining IRS forms and requirements. Through casual but informative conversation with the restaurant manager and another member of the waitstaff, the new waitress learns the importance of keeping daily records of tips. The video dramatization concludes with a brief statement by an IRS spokesman, directing employees to a toll-free number for additional information.

By using this video format, the restaurant manager or owner is able to provide federal tax regulation information without appearing to play the role of an IRS agent.

Tips & Taxes is available for $95.00 in ½-inch VHS, ½-inch Beta and ¾-inch formats. Please add tax, postage and handling charges: Tax is six percent for Washington, DC, residents; and seven percent for Illinois residents. (Chicago, IL, residents must add an additional one percent, making their total sales tax eight percent.) Also add $9.50 for postage and handling. Please use publication number MG345 when ordering. Credit-card orders will be accepted by calling 800/424-5156 (toll free) or 202/638-6100.

ly. Many employers require such reports daily on the theory that such reports more likely reflect all tips received.

Who should file an 8027

Not every employer is required to file an 8027. Only those employers who operate one or more large food and beverage establishments are required to do so. A large food and beverage establishment is one that sells food and beverages for consumption on the premises and which, on a typical business day, employs more than 10 tipped and non-tipped persons or the equivalent—80 employee hours. Tipping must be customary as well.

If an establishment has more than one food or beverage operation, such as a hotel with a gourmet restaurant, coffee shop and cocktail lounge, and each operation has a separate employer's identification number and records receipts independently of the others, a separate 8027 is required for each operation.

If the amount of tips reported by directly and indirectly tipped employees for any payroll period is less than eight percent of the establishment's food and beverage sales (excluding carry-out sales and sales to which a service charge of 10 percent or more is added), the employer must allocate the difference among tipped employees either on the basis of a "good faith" agreement or, if there is no such agreement, on the basis of the allocation method prescribed by the regulations.

A good faith agreement is a written agreement between the employer and at least two-thirds of the tipped employees of each occupational category (such as servers, busers, maitre d's), which provides a good faith approximation of the actual distribution of the tip income among the tipped employees. Such an agreement, however, only becomes effective for the payroll period that begins after the date of adoption but not later than Jan. 1 of the next year. It is, therefore, too late to now adopt an agreement for the calendar year 1987, but such an agreement can still be adopted for payroll periods after 1987.

Two methods of allocation

If there is no good faith agreement in effect for a payroll period, then, as noted above, the employer must allocate the difference in accordance with the prescribed formula. In that case, it is important to note that prior to the Tax Reform Act of 1986, the employer had the option of using either gross receipts attributable to, or hours worked by, directly tipped employees. However, under the new tax law, only establishments with less than 25 full-time employees, or the equivalent, may use the "hours worked" method of allocation. Establishments with 25 or more full-time employees, or the equivalent, must use the "gross receipts attributable to" method of allocation. The National Restaurant Association will make an attempt to change the law in 1987, but, in the meantime, if you do not maintain records of sales by server, a good faith agreement is recommended.

The eight-percent threshold can be reduced (but not below two percent) upon petition of either the employer or a majority of the employees. The petition should be filed with the district director or the Internal Revenue District in which the establishment is located.

1987 state election results

by Colette R. Coleman

In 1987, 49 of the 50 state legislatures will be in session. Only Kentucky is not scheduled to meet. In 1986, when 46 of the 50 state legislatures met, an overwhelming 142,000 bills were introduced at the state level, and more than 25,000 of these bills were passed and signed into law. At this rate, there is every reason to believe that 1987 will be the busiest legislative year ever to occur at the state level.

The National Restaurant Association expects increased legislative activity in several areas of interest to the industry. Of particular concern are nutritional and/or ingredient labeling, tort reform, minimum-wage increases, state and local no-smoking ordinances and a variety of proposed tax increases on meals, tourism and advertising.

Governor elections

The 1986 gubernatorial races showed major gains for the Republican Party across the country, especially in the South and West. The new party lineup is 25 Democrats and 24 Republicans, with one race—Vermont—still undecided.

Among the most important races for the GOP was the Florida victory of Republican Bob Martinez, the Mayor of Tampa. Martinez, previously a Democrat, defeated Steve Pajcic, a former state representative who was tagged as a liberal in an increasingly conservative state.

Another key state, Texas, returned to the Republican fold. Former Governor Bill Clements recaptured the statehouse by defeating the Democratic incumbent Mark White. White's tenure was beset by economic troubles, including the collapse of oil prices and a state fiscal crisis. Clements, whose first term earned him the reputation of being a rough-and-ready oil industry millionaire, was far more subdued in his challenge to White this year.

These two races were important to the Republicans because Florida and Texas are two of the three major bases in the party's emerging "megastate" Sun Belt strategy. The strategy calls for building a firm, grass roots, Republican base in Florida, Texas and California in hopes of supplanting traditionally Democratic southern strongholds and laying the groundwork for the 1988 presidential contest. Governors are an important part of the effort because they control patronage and have the power to build local organizations, which in turn can be mobilized on behalf of a national candidate.

A third big win for the Republicans was the election of Guy Hunt of Alabama, who will be the state's first GOP governor since the Civil War. Also, Republican Tommy G. Thompson defeated incumbent Anthony S. Earl, a democrat, in Wisconsin.

In Vermont, Democratic incumbent Governor Madeline M. Kunin led in a three-way race with 47 percent of the vote. But because Vermont law says that the state legislature chooses the winner if no one gets 50 percent of the vote, a final decision will not be made until the legislature convenes in Janu-

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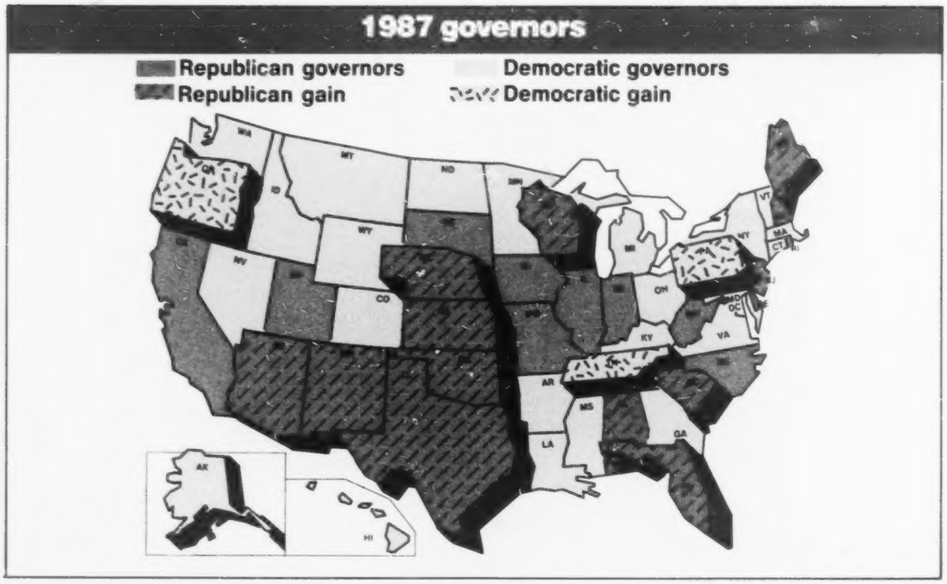
Colette R. Coleman is manager, state relations at the National Restaurant Association.


1987 governors

ary. All indications are that Governor Kunin's victory will be confirmed, since the legislature traditionally chooses the top vote-getter when there is a clear advantage. Governor Kunin led her nearest opponent by almost 10 percent.

State legislative races

While the GOP took some comfort in its gubernatorial victories, it did not score as well in other contests at the state level. In the state legislative races, the Democrats came out on top. In January 1987, the Democrats will have a majority in 66 chambers, and the Republicans will control 29.

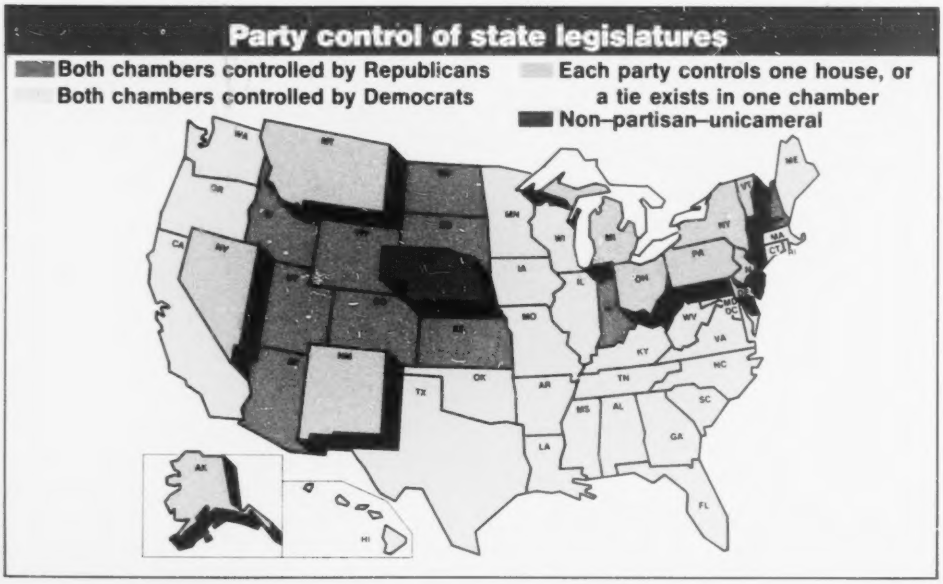
The Democratic Party obtained new majorities in four legislative chambers—the Connecticut House and Senate, the Minnesota House and the Nevada Assembly. In addition, the Democrats gained a tie in the Vermont House, and they made large gains in three states where they are in the minority: New Hampshire, Indiana and Utah.

In total, three states have ties in one chamber—the Montana Senate, the New Mexico Senate and the Vermont House. Nebraska, which has only one chamber, is non-partisan. During the 1986 sessions, there were Democratic majorities in 64 chambers, the Republicans controlled 32 chambers and two chambers were tied.

The Democrats now control both houses in 28 states, compared with 26 states before the 1986 election. The Republicans control both houses in 10 states (down from 11 in 1986), and 11 states are split or tied (see map). The new seat count shows Democrats holding approximately 175 more state legislative seats than in 1986. One of the most significant Democratic victories this year came in Connecticut, a state that in 1984 provided one of the party's most striking setbacks. With President Ronald Reagan at the top of the ticket in 1984, Republicans made great gains and won control of both chambers. This year, a strong showing by Democratic Governor William O'Neill helped Democrats regain control, taking 41 seats in the Connecticut legislature.

This gubernatorial influence, however, was not as decisive in other state races. In Wisconsin, for example, before the election, the GOP was three seats short of a majority in the Assembly. It lost two seats despite winning an upset in the governor's race. In Oregon, where Democrats have narrow majorities in both chambers, Republicans made small gains but lost the governorship.

As with governors' seats, control of state legislatures has become a focus of both national parties, with more at stake than the issues on the 1987 legislative agenda. The parties are looking ahead to 1991, when the state legislatures will redraw congressional districts based on the new census. This could potentially alter the partisan lineup in the U.S. House of Representatives.


Party control of state legislatures
Both chambers controlled by Republicans
Both chambers controlled by Democrats
Each party controls one house, or a tie exists in one chamber
Non–partisan–unicameral

MIDSCALE RESTAURANTS

Where Have All the Customers Gone?

by David Slater

Max Karl Winkler

Not too long ago, moderately priced family restaurants were all flourishing. They offered quality homestyle food at prices most families could afford. Many midscale restaurants, especially independents with strong, local followings, are still thriving. Many others, however, are discovering that the offer of a good meal at a fair price is no longer enough to ensure continued growth.

In fact, according to the 1986 CREST report, traffic at family-style restaurants remained relatively flat in the first eight months of the year. This dilemma need not be permanent.

Midscale restaurants are hurting. Increased competition is the most formidable factor contributing to their sluggish performance. On one side, midscale restaurants are being squeezed by fast feeders, who are making the biggest dent in their business. On the other side, they are competing for customers with ethnic restaurants, new concepts in casual dining and, to a lesser degree, upscale restaurants that are lowering their prices or offering specials. "Family restaurants just haven't repositioned," says Texas Restaurant Association President Susan Hasslocher. "Many midscale customers are trading down to quickservice operations, and upscale customers are patronizing ethnics and cafes for lighter food and the 'fun aspect.'"

Most midscale operators agree that the competition has substantially increased in the past few years. Tony Hardy, who has owned Tony's Family Restaurant (100 seats) in Douglas, GA, for 18 years, expresses the sentiments of many midscale restaurant owners when he says, "Any place that opens its door and sells food is hurting me."

The fast food challenge

Eppie Johnson, who owns seven family-style restaurants in California, expresses concern that the gap between family restaurants and fast food operations is narrowing. "I walked into a Burger King the other day, and it looked like one of my restaurants," says Johnson. "With their hanging plants and ceiling fans, they're beginning to offer the same ambiance."

Why are customers choosing fast food places?

☐ **Convenience.** In an October 1986 Gallup survey conducted for the National Restaurant Association, more than 90 percent of adult respondents cited some sort of convenience factor, such as the location of the restaurant or lack of time, as their reason for choosing a fast food restaurant over another operation. That figure represents nearly three times the number that said they choose moderately priced restaurants for the same reason.

☐ **Price.** Another advantage fast feeders have over family restaurants is, of course, their prices. The average check at fast food restaurants is around $2.45, as compared to more than $3.75 (not including tip) at family restaurants. For a family of four, the decision to go to a quickservice restaurant or a family restaurant can be a $10 difference.

☐ **Service time.** Perhaps most important is the quick service that fast food restaurants offer. Even those family restaurants that are thriving report that the service differential is their main concern. "Just as McDonald's has created the 'standard' hamburger or the 'standard' french fry, the fast food people have created a time dimension that we have to deal with," maintains Fritz von Ulmer, vice president of marketing for the 21-state, 197-unit Ground Round chain of casual dining/family-style restaurants.

Competition from nontraditional concepts

Family restaurants are not only losing business to fast feeders. They are also losing customers to more innovative competitors within the midscale sector and, to a lesser extent, to upscale establishments. As the eating habits and demands of consumers have evolved, the family restaurant's overall package has not kept pace and has, as a result, become less appealing to the younger consumer.

More than good food is needed to please patrons of fullservice restaurants today. Eating at a midscale or upscale restaurant has become much more of a social occasion, and customers no longer want only traditional home-cooked meals. They have become exposed to a wide variety of foods, and they search out foods which please their eyes and palates.

Ambiance has become almost as important as the meal itself, and many young people opt against family restaurants that have not updated their image.

Problems are solvable

Midscale restaurant operators, however, do not have to helplessly throw up their hands. Martin Roberts of Landor Associates, a New York, NY–based strategic planning and design firm, believes that the family restaurant's problems are "identifiable and solvable." To attract new customers, says Roberts, "these restaurants have to reorient their concepts."

This does not mean changing completely, however. When updating their operations, family-style restaurants should not forget their strong points, such as friendly, personalized service, wholesome foods and broad and varied menus. These are the qualities that have made the family restaurant an American institution.

At the same time, however, this sector's resistance to change and its reluctance to respond to market shifts are the reasons why many family restaurant sales have stagnated. To win new customers without alienating their more traditional clientele, these traditional operations need to broaden their appeal and update their image.

Strategies to broaden appeal

Midscale establishments must attract a greater mix of customers. At present, there is a disproportionate number of older persons among the clientele of family restaurants, notes Roberts of Landor Associates. When most customers are older, "it creates a sense of an older place," he adds.

Here are some steps family restaurants can take to reorient their operations.

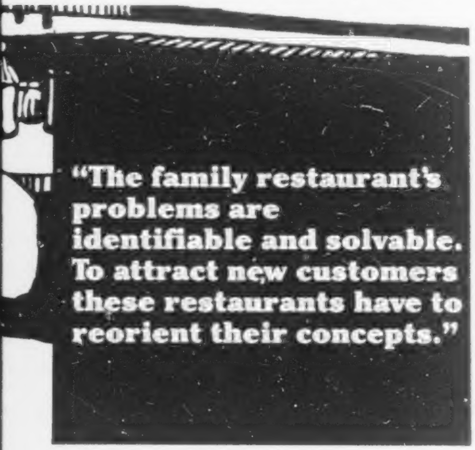
☐ **Speed up service.** The first goal should be to make service more efficient without losing the personal feeling that has become a family restaurant signature. This means speeding up service. As David Crawley, spokesman for Denny's, points out, "Speed is a high, high, high priority. Our service at fast food speed would be considered our main goal."

☐ **Achieve a more varied menu**

David Slater is a communications specialist for the National Restaurant Association.

mix. The homestyle food that has traditionally been served at family restaurants is perceived by many younger restaurant patrons, especially those who are health or fitness conscious, as being heavy and filling. Noting that the nationwide interest in nutrition is a trend and not a fad, many family restaurants have added a few lighter items or even an entire "lite" section to their menus. They are attempting to communicate a healthier, lighter concept. By offering customers a choice in preparation methods (for example, broiling instead of frying), by promoting healthier homemade dishes and by placing a greater emphasis on fresh fruits and vegetables, an operation can convey a more healthy concept while still remaining attractively "homestyle."

☐ **Create an appealing ambiance.** Alert family restaurant operators remodel frequently to give their operations a fresh and/or contemporary appearance. Instead of viewing the operation from the kitchen looking out, the smart operator occasionally sits in his or her restaurant and views the operation from the customers' perspective. This approach should not only focus on aesthetic considerations, such as color and style of furniture and furnishings, but also on functional details, such as the effects of added busing stations or the efficiency of the current flow of traffic.



"The family restaurant's problems are identifiable and solvable. To attract new customers these restaurants have to reorient their concepts."

☐ **Make the exterior inviting.** When remodeling, remember that updating the exterior of the restaurant can be an effective way of letting passers-by know that there have been changes made inside the restaurant. These changes can be as simple as brightening the color of the paint or modernizing the restaurant's sign.

☐ **Recognize the value of food bars.** Salad and food bars can effectively attract a newer, younger clientele because they represent many of the concepts not usually associated with the family restaurant. Food bars allow for fast service and give customers the opportunity to eat what they want in the quantities that they prefer.

For example, Bonanza's large, varied food bar is credited with being a key to the 565-unit chain's successful shift from a budget steak house to a more contemporary casual-theme restaurant. The food bar includes 65 items, from salads and fruits to hot vegetables and soups, and is not only attracting younger customers but generating 30 percent of total sales as well.

☐ **Add appetizers.** When attempting to reach a mixed audience, family restaurant operators should realize that the consumers' eating habits have changed. Many young people have not been raised on meat and potatoes or three square meals. They are used to raiding the refrigerator and eating according to their own schedules. By adding fresh, light appetizers—such as crisp, fresh vegetables, spring rolls or homemade soups—operators can broaden their appeal to customers by catering to their tendency to nibble.

☐ **Consider carryout.** Although a midscale restaurant's diverse menu is a hindrance to quick preparation, the takeout market need not be totally out of reach. Bob Evans Farm, for example, has recently boosted takeout sales by 43 percent through an aggressive marketing campaign. The corporation converted a small amount of counterspace (roughly equal to one seat) to a takeout area, added incoming telephone lines for orders and created a takeout menu by grouping together signature items from its regular menu that lend themselves to quick preparation.

Under the right circumstances, a popular takeout operation can even evolve into a delivery service.

☐ **Update equipment.** Consider adding equipment to prepare items that might better fit the new image you are trying to convey. A flame broiler, for example, might provide an operator with a more popular and healthier way of cooking certain items as might a Rair oven which fries food with hot air and pressurized steam rather than oil. For an operator concentrating on service time, adding a microwave to defrost or heat foods, and computerized registers to speed up check payment might help get customers in and out more quickly.

☐ **Change layout.** In addition, most midscale restaurants tend to favor booths because the operations were designed to serve families and larger parties. Today, families comprise only 20 percent of the midscale market, and the average party size is 1.92. An operation, then, can become more efficient by removing some booths and installing smaller tables that can be pushed together when necessary.

☐ **Respond quickly to market changes.** One of the most crucial factors in building a strong, local following is to respond quickly to market changes. "Understanding the local market," says Susan Hasslocher, "is extremely important in being able to find your niche."

For example, Elby's, a 72-unit chain of family-style restaurants based in Wheeling, WV, has found that their customers are older in West Virginia and western Pennsylvania and younger around Columbus, OH. In the future, says Tom Johnson, vice president of operations, Elby's hopes "to cater to markets by age-groups. After all, it's hard to sell liver and onions to a young person."

☐ **Advertise and promote.** Reorienting a restaurant's concept entails a great deal of work. An operator's efforts will be in vain if he or she does not successfully communicate the changes that have been made.

In sum

No restaurant can please everybody. There will always be people who want a quick, on-the-spot meal to eat in the car or people who want a quiet, romantic dinner in an elegant setting. For these people, a family restaurant might not be the right place. At the same time, however, there will always be a market for restaurants that offer a broad homestyle menu served by friendly people at reasonable prices. By remembering that an operation can be "traditional" and "contemporary" at the same time, the family-style restaurant can continue to be an American institution. ❑

THE MIDSCALE DILEMMA

The dilemma for midscale restaurateurs is that despite positive consumer attitudes about their dining experiences at midscale establishments, the midscale share of the market continues to erode.

Consumers are well-satisfied with their experiences at moderately priced family restaurants, according to the results of a Gallup survey conducted for the National Restaurant Association in October 1986.* Nevertheless, customer traffic at midscale restaurants** has declined for nine consecutive quarters since summer 1984, according to CREST.

Overall, CREST information indicates that restaurant traffic advanced 4.3 percent from summer 1984 to summer 1986. During the same two-year period, traffic at midscale restaurants declined 6.5 percent. Also, their share of overall restaurant traffic dropped from 27 percent in summer 1984 to 24 percent in the summer of 1986.

Consumers are satisfied

Consumers are satisfied with their visits to moderately priced family restaurants. Gallup survey results show that a majority of consumers are satisfied or very satisfied with nine different aspects of dining at moderately priced family restaurants. On the other hand, 10 percent or fewer report they are dissatisfied with any aspect of their visits to those restaurants.

In general, consumers are most satisfied with the convenience and cleanliness of moderately priced restaurants. In addition, at least two-thirds of the respondents also reported they are satisfied with the attitude of servers, variety of food and beverages offered and food quality.

Consumers are slightly less likely to be satisfied with the atmosphere at moderately priced restaurants and with speed of service.

Because declining customer traffic at midscale restaurants cannot be attributed to customer dissatisfaction, it is necessary to look elsewhere to un-

Circumstances under which consumers are more likely to choose a moderately priced family restaurant

Family dining occasions are most popular for visiting midscale restaurants

Circumstances	**Percent**
When dining with family	14%
When I want affordable/lower-priced food	12
On special occasions	11
Good food quality	9
Better atmosphere/more relaxing	9
Just to go out	9
When I don't feel like cooking	8
When dining with friends	7
Convenient location	6
When in a hurry	5
Menu selection/more variety	5
To get away from fast food	4
When I want to sit down and be served	3
When I have extra money	3
For a weekend meal	2
When out of town	2
Never eat a meal out	2
When going out for lunch	2
Business meetings	1

Source: National Restaurant Association Gallup Survey

Frequency of eating out

Consumers eat out more frequently at fast food establishments than at moderately priced family restaurants

	Moderately priced family restaurants	**Fast food establishments**
More than once a week	12%	26%
About once a week	26	24
Once every two or three weeks	23	18
About once a month	20	10
Less often than once a month	13	13
Never	4	6
Can't say	2	3

Source: National Restaurant Association Gallup Survey

**Interviews were conducted by telephone with a national sample of 1,008 adults, 18 years of age and older, during the period of September 8 to October 10, 1986. Moderately priced family restaurants were defined as having waiter or waitress service and a check size per person that usually does not go much above $6.00.*

***Midscale restaurants, as defined by CREST, include family-style places, cafeterias and coffee shops. They usually offer tableservice. Some offer wine or beer, but few provide cocktails. Per-person checks averaged $4.14 in the year ending August 1986.*

derstand what is happening in the midscale sector.

Occasional customers are important

Comparatively speaking, moderately priced family restaurants are much more dependent on occasional customers than are fast food establishments, which means that midscale establishments require a relatively large customer base.

In fact, according to the Gallup survey, 43 percent of consumers report they visit a moderately priced restaurant once every two or three weeks or once a month, compared to 25 percent who visit fast food places on an occasional basis. In contrast, 26 percent of consumers say they visit fast food places more than once a week, compared to only 12 percent for moderately priced restaurants.

Only 17 percent of consumers report they visit moderately priced restaurants rarely or never, compared to 19 percent for fast food places.

Visits are discretionary

CREST data, as well as the National Restaurant Association's Gallup Survey, suggest that the midscale traffic decline is associated with decreased visit frequency rather than a drop in number of consumers who are visiting these restaurants.

Currently, time-pressured occasions and the need for convenience seem to be largely responsible for increases in industry customer traffic. Although several types of midscale restaurants, including Asian establishments and barbecue places, have enjoyed traffic gains, most traffic increases are concentrated in the quickservice sector, particularly for off-premises occasions. The majority of consumers choose a fast food place when they are in a hurry and need a quick meal—a time-pressured occasion.

Consumers choose moderately priced family restaurants, on the other hand, for social rather than functional occasions and for discretionary rather than necessary occasions.

At a time when consumers have less cash to spend—a result of an increased debt load, lower inflation rates and smaller wage increases—discretionary occasions at midscale restaurants become more expendable.

Thus, despite the fact that consumers are well-satisfied with their visits to moderately priced restaurants, discretionary occasions at midscale restaurants are being trimmed, and visit frequency is declining.

—Susan Mills

CREST midscale restaurant performance

☐ **Customer traffic:** Off for nine consecutive quarters. Traffic declined 5.5 percent in the year ending August 1986. Traffic is off for all meal periods. For the year ending August 1986, breakfast and morning traffic was down 5.4 percent from the year before. Lunch dropped 6.0 percent, supper was down 3.5 percent and the afternoon and evening snack dropped 9.1 percent. The largest share of the loss in customer traffic is attributed to varied menu restaurants.

☐ **Customer check:** The per-person customer check averaged $4.14 in the year ending August 1986.

☐ **Visit frequency:** Frequency per household reached declined 5.0 percent.

☐ **Promotions:** Midscale restaurants are placing more emphasis on promotions. The percent of occasions on which a promotion was used increased by 10.0 percent in the year ending August 1986. Still, fewer midscale occasions involved promotions (9.2 percent) than did quickservice occasions (14.2 percent).

☐ **Off-premises eating:** Takeout and home-delivery occasions, which are responsible for much of the industry gain in traffic, have declined in the midscale sector. In each of the past six consecutive quarters, off-premises traffic declined from one year earlier.

Satisfaction with moderately priced restaurants

Consumers are least satisfied with speed of service and atmosphere at midscale establishments

		Percentage	
	Mean rating*	**Satisfied**	**Dissatisfied**
Convenience—because respondent didn't have to prepare the food	4.32	79%	4%
Cleanliness	4.04	71	5
Location convenience	3.97	66	7
Attitude of servers	3.96	67	8
Variety of food and beverages offered	3.95	66	5
Food quality	3.90	67	6
Price paid for value received	3.85	64	8
Atmosphere	3.73	58	10
Speed of service	3.67	54	9

**Mean scores based on a scale of one to five where four and five mean satisfied and one and two mean dissatisfied.*

Source: National Restaurant Association Gallup Survey

From Dishwasher

by Anne Papa

In order to publicize career opportunities within the foodservice industry, *Restaurants USA* recently included a survey response card which asked operators, "Have you worked your way up the foodservice career ladder?" Dozens of responses were sent in. Successful restaurateurs who began

Thirty-seven years ago, young Charles Smith loaded up his car, bid a farewell to the family farm in Massachusetts and headed west. His destination was "somewhere new, maybe Arizona. I really just wanted to see what was out there."

Fate intervened, however, when his car broke down just outside of Denver, CO. Since it looked as though he'd be staying there a while, he decided to get a job. "At the time, my experience was limited to milking cows and driving trucks," he recalls. "Unfortunately, I was too young to be a truck driver—and there are precious few cows in Denver," he quips.

So when Smith saw a help-wanted sign in the window of a small short-order restaurant in town, he applied for the job. "They needed someone back in the kitchen, washing dishes," he says. "It seemed like a decent way to earn money while I looked for another job."

That was in 1949. In 1980, Charles Smith found another job.

It was six years ago that Smith left Reese House, the restaurant chain where he began as a dishwasher and climbed his way up to assistant manager, manager and, finally, general manager of the entire five-unit chain. Today, he operates two restaurants of his own, C.S. Goodberry's in Arvada, CO (160 seats), and a new C.S. Goodberry's in Lakewood, CO (220 seats). His restaurants are known throughout Denver and its suburbs for quality dining in a comfortable setting. And Smith has achieved recognition from his industry peers as well; this past May, he was elected to serve on the board of the National Restaurant Association.

"After all of these years, it's difficult to pinpoint exactly why I've persevered," says Smith. "Actually, owning a restaurant is similar in many ways to running the family farm. If a job needs doing, you do it—even if it takes all day and night. But as long as you're willing to meet the demands of an incredibly demanding profession, then you'll also get the rewards."

Charles Smith

Peter Briggs wanted to be an English teacher. At least, that was his major in college. To earn his way, however, he worked part time, alternately as a busboy, bartender and wine steward. "I worked to earn a little extra money," he explains. "However, it soon became apparent that a *little* money was turning out to be a *lot* of money. I began to realize that perhaps teaching English wasn't the best option for me."

So Briggs got a full-time job as a waiter and eventually moved into management. He then became part-owner of a chain of bagel shops before acquiring the operations he currently owns: two Amigo's Mexican Restaurants (120 seats, 46 seats) located near Burlington, VT. "I guess you could say I've done a bit of everything," he notes. "The only thing I haven't done is teach English. But I have no regrets."

Briggs says he learned early on in the restaurant business that "responsibility is the key. Prove your dependability, and you can go anywhere within an organization." He has applied that lesson to Amigo's Mexican Restaurants; in fact, he attributes much of the success of his business to the people who work for him. "My partner and I have been able to avoid the time-management problem experienced by many operators because of our staff," he attests. "It's not necessary for us to be on site or to have our fingers in every pie. Instead, we put a lot of trust in our management team. Experience has taught me that."

Anne Papa is a communications specialist for the National Restaurant Association.

To Restaurateur

their foodservice careers as dishwashers, busboys, waiters or waitresses—all are testimony to the wealth of opportunity available in foodservice. Here is a look at the career paths of one group of successful operators—those who began as dishwashers.

When Don Dey Ermand was hired at the Middleton Tavern, a renowned Annapolis, MD, restaurant, he started at the bottom—even though he'd already had experience as a waiter in other establishments. "It was a policy. Everyone started at the bottom, no matter how much experience they'd had," he explains. But Dey Ermand had only been at the Middleton Tavern for two weeks when he received his first promotion—to day/night waiter. From then on, he reports, it was a steady climb.

"Promotions provided a real incentive for me to challenge myself, to try harder," he says. "Eventually, I became general manager, and the majority of operational decisions at the restaurant were left up to me."

After working for someone else for 11 years, Dey Ermand decided he was ready to apply his foodservice know-how to his own operation. So he bought "a dive" in nearby Crofton, MD, renovated it and reopened it as The Sly Horse Tavern (115 seats). That was a little over a year ago, and today the restaurant is enjoying a steady business.

Dey Ermand views his new role as owner as "a constant challenge. My top priority is giving customers what they want. If someone wants spareribs and we don't have them on the menu, we'll get them. As an owner, every judgment call I make is in the customer's favor."

But Dey Ermand also strives to keep his employees happy—to the point where, if the dishwasher is backed up, he often rolls up his sleeves and helps out. "Anyone who thinks that owning your own restaurant gets you out of washing dishes, should think again," he laughs. "It's important to create a cooperative atmosphere because we're all in this together. That's what I learned when I was starting out, and that's what I hope to impart to my employees."

Don Dey Ermand

"I wouldn't have lasted a day in this business were it not for the fact that every single day is different," maintains Joseph Segreto, owner of The Shadows Restaurant (150 seats) in Mandeville, LA. "Whether I am washing dishes, managing someone else's restaurant or running my own place—no two days are the same."

Segreto got his first taste of the restaurant business 31 years ago as a dishwasher and vegetable scrubber in his father's restaurant. "Whatever needed doing in the kitchen, I did it," he recalls. But Segreto says his hands-on foodservice education truly began when he went to work as a busboy at Brennan's, a renowned establishment in New Orleans' French Quarter. "At various times, I was a busboy, waiter and headwaiter there," he says. "My experiences working for that legendary restaurant family were incredible."

One lesson that Segreto learned during his early years in the business was that "if you want to get anywhere, you have to be committed. In other professions, you can leave Friday evening and come back Monday morning. In the restaurant business, your days, your nights and your holidays belong to your customers." But, he adds, that, for him, it has been worth it. "When I became an owner, first of a place called Broussard's in the French Quarter and now at The Shadows, I was prepared for the necessary commitment of both time and energy. In fact, I thrive on it."

Segreto says his years of experience also prepared him for his managerial role. "I recognize the value of motivating employees and promoting from within," he says. "In my restaurant, a dishwasher has the potential to become sous chef or maitre d'. We're finding more kids who wash dishes part time at night, like what they see and decide to stay and move up."

When Paul Pappas was in junior high school, he was told to write an essay on "what I want to be when I grow up." For Pappas, the assignment was an easy one. "Even back then, I knew I wanted to own a restaurant some day," he recalls.

Today, Pappas' dream has come true. He owns Michael's, a 250-seat restaurant in La Crosse, WI. And although the restaurant is entirely his own, it is one of three restaurants under Pappas-family ownership to be named after Paul Pappas' grandfather, Michael.

"Even though I operate this restaurant independently, I'm a family businessmember at heart," he laughs. "I literally grew up in the business." Pappas' father, uncles, grandfather and great-grandfather were all restaurateurs, and Pappas' first job was as a dishwasher in his father's operation. "I was a dishwasher. I was a busboy. I was a gopher. I was everything," he recalls.

Pappas maintains that one of the best decisions he made during his early foodservice years was to leave the family business for a while. "It's important to get a different perspective," he says. Following college, he worked for a time as an industry analyst and as a manager for Holiday Inns. "Because I came from a small independent business, working for a large organization was a real eye-opener," he says. "The essentials are the same—hospitality and service—but operations are completely different."

Pappas eventually decided to open his own restaurant because "like any young person, I wanted to be 'number one,' and it just wasn't going to happen in a big organization." But he has been able to apply the lessons learned at Holiday Inns to his own operation. "Had I never ventured from my family's business, I would not know as much about running a business as I do now," he says. "My primary recommendation to my brothers, as they get into the business, and also to my employees is: 'Get as much experience as possible before branching out on your own. It will pay off tremendously in the long run.'"

Steven Nordstrom, owner of Ferguson's Cafeteria (400 seats) in Phoenix, AZ, credits his first boss with teaching him everything he knows. "Ralph Ferguson ran a first-class operation," attests Nordstrom. In fact, 12 years after starting as a dishwasher under Ferguson, Nordstrom bought him out.

"I started out here part time, just to earn extra money while in high school," recalls Nordstrom, "but I found myself spending more and more time at the restaurant. Eventually, as new positions became available, I took them." Even while Nordstrom was taking business courses at college, he commuted nights and weekends to his job as supervisor at Ferguson's. After he obtained his degree, Ralph Ferguson promoted him to manager.

Steven Nordstrom

When Ferguson eventually decided to retire, it was a natural progression for Nordstrom to buy him out. That was seven years ago, and Nordstrom reports that the restaurant still operates in much the same way as it did under Ferguson's ownership. Customers still find the familiar, high-quality food on the menu and a welcoming atmosphere. No plans have been made to change the restaurant's name.

But Nordstrom says there is one major difference now that he is owner. "I don't have anyone to lean against," he says. "I have to make all the tough decisions by myself."

Robert Sheahan, owner of the Colonial Restaurant (125 seats) in Thomaston, CT, says his first job as a dishwasher actually soured him on the restaurant business. "The manager at that restaurant taught me how *not* to treat employees," he says. The job lasted two weeks, at which point Sheahan "left the business for good"—or so he thought.

It wasn't until he was in college, living off-campus with friends, that Sheahan discovered his knack for cooking. "I made Thanksgiving dinner for 20 friends who couldn't go home for the holidays," he remembers. "They loved it. It was a big thrill for me." A friend of Sheahan's at the dinner suggested that he apply to the Culinary Institute of America (CIA) and become a professional chef. Sheahan took the advice. He enrolled at CIA and graduated. From that point on—even while back at school earning a business degree—he never again left the foodservice industry. "I worked as a chef in other people's kitchens before opening my own," he says, "and never again was the negative experience of my first job repeated."

Sheahan says his decision to quit "other people's kitchens" and open his own place came because "there comes a point in every person's life when they know all the answers. Mine came at age 32. I suddenly decided I didn't want to work for anyone anymore—I wanted my own place." Sheahan looked at many locations before finding what he wanted: a 40-seat diner, which he has since expanded into a comfortable family restaurant. "Of course," he adds, "once I got my own place, I realized that I didn't have all the answers. I didn't even come close."

But one aspect of his operation that Sheahan is 100 percent sure about is the value of his employees. "I know that my restaurant is only as good as the people who work for me," he says. "I try to manage my staff as I would like to have been managed." Sheahan says he is often accused of being too soft, but he feels comfortable with his management style. "I know what it's like to be treated poorly, to be looked upon as a second-class citizen," he explains. "As an owner, this is my opportunity to do things my way." ❑

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A RENAISSANCE FOR BEER IN AMERICA

Jim Koch, owner of the Boston Beer Company, emphasizes quality control in the brewing of his Samual Adams Lager.

by Philip Kralovec

Are Americans beginning to drink beer the way they drink wine—savoring the nose and flavor? Recent drinking patterns seem to suggest this. While overall consumption of beer has not gone up, the variety of beer has increased.

"I don't get no respect." Rodney Dangerfield's plaintive cry used to apply to the plight of beer in America. While wine and spirits enjoyed images of sophistication, beer was relegated to icing lawnmowing thirsts and biding lulls during baseball games. But all this is changing. America is on the threshold of a renaissance in beer drinking and beer enthusiasm. Beer's rich heritage, the diversity and complexity of its many styles and the art and skill that brewmasters bring to their craft are finally being appreciated. Not only are imported beers increasing

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in popularity, but small domestic breweries are also growing prolifically. They are brewing distinctive specialty beers, the likes of which have not been seen in this country since before Prohibition. Restaurants, too, have tapped into the trend by offering extensive beer lists and preparing dishes cooked with beer.

America's taste in beer is expanding. Americans are developing a palate for more fully flavored beers, such as the crisp, highly hopped imported pilsners; refreshingly spicy wheat beers; malty and fruity ales; and chocolatey stouts.

According to Michael Jackson, the world-renowned authority on beer and the author of *World Guide to Beer* and other beer guides, there are approximately 15,000 beers to choose from. They are brewed worldwide in a seemingly countless array of styles. For example, the eclectic selection includes white beers, red beers, brown beers, steam beers, monastic ales, Scotch ales, bishop ales, Christmas ales, Irish stouts, Russian stouts, milk stouts, oatmeal stouts and barley wines. Each beer is distinctive in look, smell and taste and can vary as widely as a cabernet does from a chardonnay—perhaps even more so. The choice is impressive. There are even some cherry and raspberry beers which receive a second fermentation with macerated fruit.

The imports

One of the most telling indicators of America's blossoming taste for beer has been the steady and strong growth of the imported beer market. Beer is brewed, enjoyed and exported by virtually every country in the world. According to the United States Department of Commerce, approximately 400 beers are currently imported from 50 different countries as varied as China and Kenya, the newest entry to the United States imported beer market. This is a rather staggering increase from the 190 beers *Modern Brewing Age* magazine reported were in America in 1980. The import market is expanding because Americans are drinking more and more imported beer—up from 1.7 million barrels in 1975 to 7.9 million last year, according to *Impact Newsletter.*

Why are imports growing in popularity? One well-founded reason is that some of these beers, such as Czechoslovakia's Pilsner Urquell, Ireland's Guinness Stout and Belgium's Chimay Ale, are among the finest beers in the world, and beer aficionados everywhere enjoy them. Furthermore, until recently, no domestic brewer was brewing beers in this type and style. The Prohibition had effectively squelched the American brewing industry, which had begun with the Pilgrims and flourished in the 1800s following the large immigrations of Bohemians, Germans and other Europeans.

A new breed of domestic breweries

The most promising result of the beer renaissance in this country has been the revitalization of America's small brewing industry. There are about 80 "craftbreweries" (as they are aptly named), spread across the country, according to the Institute for Fermentation and Brewing Studies. Many more are on the drawing board. Just three years ago there were only one dozen or so of these breweries concentrated in Northern California and the Pacific Northwest. Now the impressive list includes such excellent new craftbreweries as Grants (WA), Sierra Nevada (CA), Portland (OR), Boulder (CO), Arkansas Brewing (AR), Rhomberg (IA), New Hibernia (WI), Newman's Albany Amber Ale (NY), and New Amsterdam Amber Beer (NY).

The first and most successful of these craftbreweries is the San Francisco Anchor Steam Brewery. In 1965 the old Anchor Brewery was about to close its doors when Fritz Maytag, heir of the

The Manhattan Brewing Company has given the beerpub tradition new life in New York, NY. Surrounded by copper brewing kettles, customers can dine on pub-style fare in a German beer garden atmosphere or order seafood and pasta in The Ocean Grill. The company produces up to 750 gallons of nine different ales each day. It delivers the ales throughout Manhattan in a restored 19th-century beer-wagon, pulled by two English Shire horses.

washing machine family fortune, entered the picture. Initially Maytag only intended to help save steam beer from extinction—the only indigenous American-style beer, which had originated in San Francisco.

However, he soon found himself as president of the company, and, after improving the product to its original standards, he successfully turned the company around. Today, Anchor brews about 40,000 barrels a year. (For frame of reference, Anheuser Busch produces 68 million barrels.) In addition to its all-malt namesake beer, the brewery offers several excellent specialty beers, such as Anchor Porter, Liberty Ale, Anchor Wheat Beer and two seasonal offerings—Christmas Ale and Old Foghorn Barley Wine.

Across the country, the Boston Beer Company is also thriving. This company is run by a young Harvard grad, Jim Koch, who inherited his love and knowledge of beer from a long line of brewmasters. In 1985, using a recipe created by his great-great-grandfather, Koch began brewing Samuel Adams Lager. Koch, at present, does not have his own brewery; instead, like many of the new craftbrewers, he leases another brewery for one or two days each month. Koch personally does the brew-

Restaurateurs profit from beer revival

Many restaurants have wisely addressed the growing interest in beers. Most large cities throughout the country now have at least one "beer restaurant" or "beer bar" noted for its good selection of beer.

One such successful operation is the 150-seat Our Gang Restaurant in Rocky River, OH, just outside Cleveland. According to general manager Stevie Voorhees, when the establishment opened three years ago, it served 15 to 20 imported beers. Today, thanks to a dramatic increase in sales, Our Gang features roughly 115 imports from 26 countries. The selection includes ales, stouts, pilsners, porters, lagers, bocks and doppelbocks as well as non-alcoholic, light, Vienna, wheat and cherry beers.

To promote the beers, Our Gang holds frequent beer tastings for customers as well as lectures on brewing techniques and such beer characteristics as head retention, aroma, color, flavor and texture. It also sponsors a beer club called the World Beer Tour. Customers who enroll in the program and sample at least 65 beers can earn prizes, many imprinted with the restaurant logo or advertisements for the club, such as T-shirts, mugs, golf shirts and satin jackets. More than 4,000 people are members in the World Beer Tour, nearly half of whom have tried all the beers. Fifteen members have completed 10 rounds.

The Old Chicago, a 225-seat restaurant in Boulder, CO, features a similar program for its 110 beers—quite an impressive selection for an establishment that did not emphasize beer when it first opened 10 years ago. In addition to T-shirts, glassware and beer-expert Michael Jackson books, club members also become eligible for the annual grand-prize drawing—an all-expenses-paid trip to Europe, sponsored thus far by English and German brewers.

As Our Gang and Old Chicago suggest, beer clubs can be great traffic builders. They attract knowledgeable beer drinkers and help educate new ones.

As with wine sales, however, beer sales depend upon a knowledgeable staff. Our Gang accomplishes this by holding frequent staff beer tastings, which educate the servers and generate excitement in the beers. Other important considerations include reliable distributors who can guarantee a constant and fresh supply of beer, adequate storage facilities and a good inventory control system because beer, unlike wine, declines with age.

Extravagant selections are not the only way to approach beer profitability. Many restaurants are doing just as well with smaller lists which feature 25, 10 or even five well-chosen beers. Leslee's (130 seats), in Evanston, IL, features 25 carefully selected domestic and imported brews. A beer menu card includes a short description of each beer, its country of origin and its particular style. Leslee's owner, Leslee Reis, also on occasion dabbles in cooking with beer. Included in her seasonal offerings are a Flemish stew made with beer, beef and onions and a chili hopped with beer. At the North Star Pub (New York, NY; 53 seats), a signature item is the *Guinness Steak and Oyster Pie*—an appropriate entree for an establishment whose major emphasis is British pub fare and the beers of England, Scotland, Wales and Ireland. According to Deven Black, National Restaurant Association member and general manager, the pub has seen a 60-percent increase in sales over the last two years.

Beer also marries well with haute cuisine. Jean Alberti, head chef of the 365-seat Tower Restaurant in Los Angeles, CA, reports that the chefs of France, Germany and Belgium have always cooked with beer. He believes such recipes will be more common here since America's young chefs have already been introduced to beer cookery. Several years ago the Culinary Institute of America in Hyde Park, NY, held the Great Guinness Stout Cookoff Competition, sponsored by the Guinness Company. Among the winning recipes were *Stout Pumpernickel Soup* and *Clam Beer Fritters*.

Some operators have even incorporated beers into the takeout arm of their business. In some cases, customers can design their own six-pack by choosing any six beers from the restaurant list. In other cases, the operators make the selections.

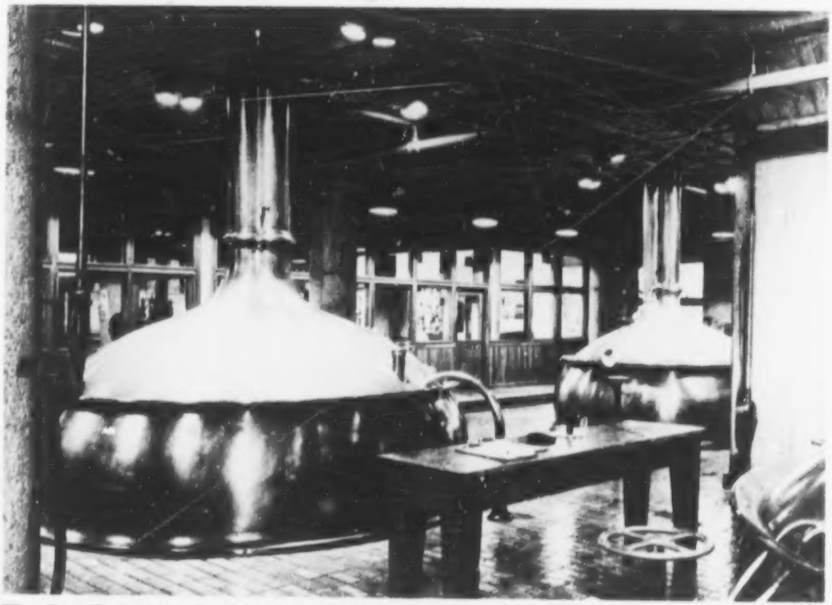
ing and has been religious in his attention to quality control.

The new craftbrewers can learn a great deal from Koch in this regard. The demand for Samuel Adams far exceeds its annual 24,000-barrel production. "If this quality is maintained," Koch predicts, "in 20 years I'll sell more Sam Adams in the U.S. than Heineken does." Also, in a delicious twist, Samuel Adams is distinguished as being the only American beer permitted entry into West Germany, having passed the stringent requirements of the German Beer purity and protective law—the Reinheitsgebot.

Anchor Steam Beer and Boston Beer Company are relatively large craftbreweries. Many others began as homebrewers and just grew. An excellent example is the Kalamazoo Brewing Company. Larry Bell, company president, brews Great Lakes Amber Ale, a beer which has a lovely fruity flavor redolent of the fruit-growing region of Southwestern Michigan from which it originates. Kalamazoo's current capacity is a tiny 520 barrels a year, most of which is supplied on draught to Kalamazoo and Grand Rapids restaurants and bars. In order to make a profit, Bell believes he needs to boost production to between 2,500 and 5,000 barrels a year, a problem common to most of today's craftbrewers. Unfortunately, expansion necessitates larger brewing equipment. The equipment is quite costly and requires financing.

But it is a move that seems to pay off. Even one of the "big six" U.S. breweries has gotten into the act. G. Heileman refashioned its subsidiary Val Blatz in Milwaukee, WI, into a small specialty house. Heileman invested a great deal of money to build a new state-of-the-art brewery and hired the colorful Hans Kestler of Augsburger beer commercial fame to brew a number of Val Blatz's turn-of-the-century beer recipes. The brewery began production last September and is currently only supplying to restaurants and bars.

These new domestics have been very well received and are quickly expanding beyond their regions of origin. Moreover, many beer bars and restaurants report that these new domestic beers are extremely popular with customers, not only because they appeal to the "buy American" mood of the country and, on a smaller scale, regional pride, but also because the beers are fresh and have none of the additives and preservatives the imports must employ.



The San Francisco Anchor Steam Brewery, one of the first and most successful craftbreweries, now brews about 40,000 barrels a year.

Brewpubs

No other aspect of the renaissance of beer has fermented as much excitement among restaurateurs as have brewpubs. No wonder, the concept is tailor-made for today's restaurants with the existing trends of open kitchens and made-from-scratch wholesomeness.

A brewpub is a tavern or restaurant that brews and vends its own beer on the premises. Brewpubs have been around for centuries and are still commonplace throughout Europe. They originated at a time when beer did not store or travel well and an outlet had to be close to the source.

Presently, there are six brewpubs operating in the United States, according to the Institute for Fermentation and Brewing Studies. The numbers are so few because, until the beginning of this decade, brewpubs were illegal. To date, nine states permit brewpubs: Washington, Oregon, California, Colorado, Illinois, Kentucky, New York, Massachusetts and Wisconsin. Many more brewpubs are being planned, and legislation permitting them is being proposed in additional states.

One of the earliest and most successful brewpubs is the Mendocino Brewing Co. in Little Hopland, CA—defiantly situated in the heart of wine country. Mendocino Brewing was started in 1982 by two homebrewers who were spurred on by the acclaim their homebrew recipe received. In that year, they built a small brewery onto an old tavern and leased the food business to an outside concern as required by law. The pub has been so successful in this tiny town that production has already been boosted several times to meet the increasing demand for their four reasonably priced beers on tap—Peregrine Pale Ale, Blue Herron Ale, Red Tail Ale and Black Hawk Stout. A hefty magnum to go is available for takeout. In order to be profitable, president and co-owner Michael Laybourn believes production will have to be further increased from the current 900 barrels to 2,500 barrels a year.

As appealing as brewpubs sound, they are not without problems and complications. Because the legislation permitting them is so young, federal, state and municipal regulations have not caught up as yet. This is further complicated by the fact that brewpubs deal with the manufacturing, distribution and sales of alcoholic beverages—a triple whammy where taxes are concerned.

Beer facts

The origins of beer, like wine, are not definitely known, although, according to beer authority Michael Jackson, "beer brewing was already a sophisticated industry 3,000 years before Christ."

In its purest form, beer is a combination of malted barley, water, yeast and hops. The hop is an aromatic herb added for flavor and its natural preservative and clarifying properties. Throughout history, other herbs, such as coriander, bay leaf and rosemary, have been similarly employed.

In the initial stages, all beers are made in essentially the same manner. Once the barley has been malted—a process in which the grain is soaked, allowed to germinate slightly and then dried—it is milled into a grist. This grist is steeped in hot water, and the resultant mash, when separated, yields a liquid called wort. The wort is then hopped and brought to a boil or brewed. After the brew has cooled, the yeast is added for fermentation. It is at this stage that the methods begin to vary, producing different styles of beer.

All beers can be grouped into two basic categories—those brewed using bottom fermentation and those brewed by top fermentation. Put very simplistically, bottom fermentation is accomplished at cool temperatures and then stored or "lagered" for a duration. The cooling causes the yeast to drop to the bottom, hence the name. Pilsners are brewed in this manner. Top-fermented beers, on the other hand, are brewed at higher temperatures for shorter periods of time. Ales and stouts are examples of this method.

There are between 20 and 30 classic beer styles. On a first tasting, some may seem unusual but eventually an acquired taste develops. A good introduction would include

☐ **Wheat beer.** This is a pale-yellow to pale-orange, top-fermented brew made with wheat grain. At first tasting, it may appear bland, but it has a very delicate tart and spicy character that is especially refreshing during the hot summer months. Many wheat beers come with active yeast in the bottle. In Germany, wheat beers are commonly flavored with a lemon slice, a dash of raspberry syrup or some other flavoring. They should be served gently chilled.

☐ **Pilsner.** This beer received its name from the city of its origin: Pilsen, Czechoslovakia. It was the first bottom-fermented beer, and the original, Pilsner Urquell, is still produced and available in the United States. Pilsners generally have a light body with a color ranging from pale yellow to pale gold and should be highly hopped, giving the beer an agreeable bitter flavor. They should be served gently chilled around 45°F to 50°F. *They should never be iced or served in frosted mugs.*

☐ **Vienna.** This is a bottom-fermented beer with a medium body, an amber color and a nice malty flavor. Many of the new domestic craftbrews are of this style; an excellent example is a beer which calls itself by the name of the style. Vienna beers should be served at cellar temperature (55°F).

☐ **Ale.** This is a top-fermented beer. It has a medium body, a color ranging from gold/copper to brown and a flavor that is fruity, malty and/or sweetish. Some areas of the United States use the term incorrectly to designate a strongly alcoholic beer. It should be served at cellar temperature or above, according to its body.

☐ **Trappiste ale.** This top-fermented beer is a bit more specialized than the others mentioned. Only six Belgian Trappiste monasteries are licensed to brew these ales. Chimay Ale, one of the best examples of the style, is a very potent beer with a warming ciderlike quality.

☐ **Stout.** This creamy, top-fermented beer gets its dark color and rich flavor from the heavily roasted malts which are used in the brewing. Stouts vary from the hearty satisfying Guinness Extra Stout to a tasty domestic, Grant's Russian Imperial Stout, which is brewed with a dash of honey. Room temperature best expresses the full flavor of these "chewy" beers.

The law is not the only consideration. Brewing is a costly and involved venture. Contrary to Prohibition lore, good beer cannot be brewed in a bathtub, although dairy equipment has been used with limited success. A decent brewing system will cost anywhere from $65,000 to $140,000. This price tag does not even include site preparation, which tacks another $10,000 to $25,000 onto the price.

Finally and more importantly, there can be no brewpub without a skillful brewer and a good recipe. Brewing is both a science and a craft that requires great expertise. In Europe, brewers practice their trade for five years before reaching the masterbrewer level, and even homebrewers mix batch after batch before they develop any control over the process. Today's brewers are a very select and exclusive bunch. Many begin as homebrewers who have supplemented their experience with formal instruction. The University of California-Davis, for example, provides brewing classes for the homebrewer as well as a full-fledged bachelor's degree in fermentation studies. There is also the Chicago-based J.E. Siebel Sons, which for 116 years has presented seminars on brewing technology at the novice and masterbrewer levels. Not surprisingly, both these educational sources report increased interest in their programs, although brewers still are, and probably will remain, a small and select group.

In sum

The status of beer today closely parallels that of wine in the 1970s. At that time, most people knew very little about wine and drank only the most common varieties and the most popular brands; or, if they were connoisseurs, they drank imports exclusively. It did not take long for the domestic wine industry and America's taste for wine to mature, and all indications are that the same scenario is likely to be replayed with beer.

Note: *To satisfy any further thirst for information on how to design and market a beer list, be sure to attend Michael Jackson's program on beer at the 1987 National Restaurant Association Show in Chicago, IL., May 16–20.*

OFF-PEAK BUSINESS CAN BE ON-THE-MONEY

by Kathy Boyle

All restaurants face the challenge of slow periods, those times when customer traffic seems to trickle in. To attract a more steady customer stream, some restaurateurs are promoting business during the off-peak hours following the traditional lunch and dinner peaks. Operators are doing more than just increasing operating hours, however. They have found that what is needed is a marketing plan which includes an appealing menu and atmosphere or a location that naturally invites customers in during off-peak periods and a welcoming, well-trained staff.

Location

Operators agree that the single greatest factor contributing to the success of an off-peak business is location. Locations which naturally attract customers during unusual times of the day include those with proximity to shopping centers, theaters, office districts and busy downtowns. Often, such areas can provide enough customer flow during the afternoon and late evening to merit staying open.

Richard and Reiss, originally a cafeteria-style takeout restaurant, now a 50-seat, sit-down eatery in the affluent Detroit suburb of Birmingham, MI, remains open from 7:30 a.m. to 9:00 p.m. in order to capture the business of passing shoppers. Owner Bill Roberts could not have asked for a more perfect setting to expand business into the late afternoon. His restaurant is located in the heart of the bustling suburb's theater, shopping, restaurant and office district. Roberts admits, "My afternoon business has developed more by location than by anything else," pointing to the shoppers and office workers who take a break about 3:00 p.m.

Another operator who is making a success of a busy uptown location is Barry Wine of New York, NY, owner of the recently opened (summer 1986) Casual Quilted Giraffe, a 90-seat, cafe version of his prestigious restaurant, the Quilted Giraffe. The cafe is open from 11:30 a.m. until 11:30 p.m. According to Wine, the concept was two years in planning, "and, based on our own research, we began to see a shift in operating hours," he says. "In New York, of course, we have an international crowd that likes to eat later. We have shoppers, and often we have other restaurateurs, who have finished up at their own restaurants and want to get something to eat." In addition, Wine sees work styles changing. He has noted that some businesspeople prefer to hold meetings at 3:00 p.m. when things are calmer in the restaurant.

This is not the case in every city, of course. As John Buchanan, director of operations for the 27 Lettuce Entertain You Enterprises, Inc. restaurants in Chicago, IL, cautions, "Downtown office areas can be tricky. We have generally found downtown businesses in Chicago to exercise pretty tight control over employee lunch times, with most of our business tightly contained between 11:00 a.m. and 2:00 p.m. After that, there are mostly tourists and shoppers who specifically avoid the lunch rush. But these customers certainly don't mean we are crowded."

A restaurant doesn't have to be located downtown, however, to build a lucrative off-peak business. For instance, the new 1,000-seat Potomac restaurant in Washington, DC, has a breathtaking view of the Potomac River, which makes it a destination spot all day long.

Menu design

Aside from a good location, operators agree that an adaptable menu is essential to capture off-peak business. Such a menu should include dishes that cater to the consumer trend to eat lighter, smaller meals, such as appetizers, along with a few hearty offerings and luscious dessert selections. In addition to encouraging a sampling of foods, many successful operations also indulge the public's current fascination with coffees, teas, sparkling waters and ciders—beverages which all seem to do well during these relaxed times of the day. "I've seen twice as many people come in the afternoon for a cappuccino, espresso and muffin than I did a couple of years ago," says Roberts of Richard and Reiss. The restaurant also serves homemade soups, salads—from a potato, tuna and artichoke salad to marinated mushrooms—and such entrees as seafood pasta. Ports and sherries are popular in the afternoon as well.

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At the Casual Quilted Giraffe, the menu does not change throughout the day. "The cafe's success revolves around the interesting selections of food on the menu and the grazing trend," says Wine. "There is no pressure to eat a full meal, and all menu items can be ordered a la carte," notes Wine. "The dishes work well at all times of the day. There are a lot of side dishes and a lot of appetizers, and we encourage informality by offering to split large plates."

Bill Gillespie, co-owner of The Shore Bird (160 seats) in Princeton-by-the-Sea, CA, has also found that the way to succeed with off-peak business is to cater to the trend to eat informally. The Shore Bird has been exceptionally successful with its new seafood cafe operation, which has been converted from its former bar. Its all-day menu attracts those who, according to Gillespie, "want to come in and go through the ritual of a full meal. They can mix and match menu items and spend as much as they want. But the key doesn't seem to be the price as much as convenience and informality," notes Gillespie, "since they often end up spending as much as if they had eaten a traditional meal."

At the recently opened (September 1986) Cafe Beaux Arts, positioned as a freestanding restaurant within the Omni Georgetown Hotel in Washington, DC, there is one all-day menu of American and European selections, served from 11:00 a.m. until 1:00 a.m. The menu for the 180-seat establishment offers great variety—from create-your-own pizzas and individually brewed coffees to hors d'oeuvres, soups, light salads, sandwiches, pastas and seven or eight cafe specialties—grilled or spit-roasted items. In addition, there are extensive dessert selections that change frequently.

"Our main objective was to offer the customer a choice," explains Donna Gaudreau, the hotel's food and beverage director. "We want our customers to eat what they want to eat, no matter what the time of day." According to Gaudreau, the late-night business has been exceptional. "I was surprised by the volume of late-dinner business we do. We really get started with dinners at about 8:30 p.m. and go heavy until midnight."

Some restaurants have specialized menus for diners who come in after the lunch service. "When we started with our small, 35-seat restaurant five years ago," recalls Mary Sue Milliken, co-owner and chef of the City Restaurant in Los Angeles, CA, "our concept was to serve coffees, espressos, pastries and good food for the neighborhood—all day and late into the evening. We never closed, because it just didn't fit."

At its new location, the City Restaurant, now 120-seats, continues some of the same philosophy. A limited menu of eight to 10 items is available for what Milliken calls the "3:00 p.m. to 5:00 p.m. snack." "We try to accommodate those who want to eat light, those who didn't eat lunch for one reason or another and those who are famished at 3:00 p.m," says Milliken. "We try to cater to a variety of tastes," she adds, "by offering some sandwiches, marinated fish, fresh vegetables, pate, goat cheese with avocado, and oysters with red wine vinegar and shallots."

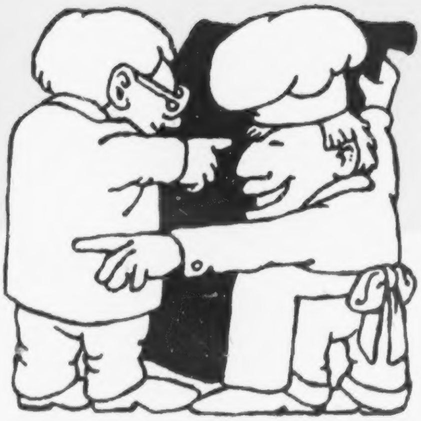
Like other off-peak operators, Milliken points to the popularity of pastries in both late afternoon and late evening. "Our extensive pastry menu seems to bring people in," she says. Office groups celebrate birthdays with pastries in the afternoon, and late-night customers come in for dessert.

This tendency is also the impetus behind the growing popularity of afternoon tea at many hotel restaurants or their adjoining lounge areas.

Tea at the St. Regis Hotel in Detroit, MI, is served from a silver tray on a tableside cart. "We have little finger sandwiches, such as watercress and cucumber; scones served with freshly whipped heavy cream and strawberry preserves; and little pastries, such as brandy snaps with fruit; and 10 different teas," says general manager Michael Kahler. Full tea service is $6.00 per person, which includes tea with four sandwiches, one scone and one pastry. The St. Regis promotes the tea with a separate menu.

Inviting atmosphere

Promoting an inviting atmosphere, one that enhances a casual menu, is also a key factor in building off-peak business. At The Shore Bird, for example, its informal menu is complemented by a cozy fireplace and a recently added



sunporch. The sunporch can be seen from the street and practically draws customers in for a light snack. The patio at the City Restaurant provides the same kind of invitation.

Developing an atmosphere conducive for off-peak business does not, however, mean that a restaurant has to maintain the same look all day. Some restaurants, such as Richard and Reiss, have found that subtle changes, such as adding tablecloths before dinner service, can actually help overall business. "Customers then realize we serve dinner as well," explains Roberts. "Some stay on, while others return for dinner on another occasion." Roberts does note that it is important that changes in a restaurant's atmosphere be made quickly to avoid jarring customers.

Kitchen design

Staying open continuously requires some adjustments in the kitchen. At the Casual Quilted Giraffe, the kitchen is more complex than at the Quilted Giraffe. Wine explains: "Since we have ongoing preparation at the Casual Quilted Giraffe, we need to have a larger kitchen. In most kitchens there is a back line for preparation, which is used for serving after the meal is prepped. Then, after 2:00 p.m., it can be used again for dinner preparation. The same counter serves for both meals. However, in an all-day-menu type of kitchen, you need two counters."

There are other adjustments that can make the back of the house more efficient. "One of the reasons we went to one menu is because it is easier for the kitchen," explains Gaudreau of Cafe Beaux Arts. "We don't have as much inventory. For example, other restaurants serve certain items at lunch, which they don't serve at dinner, and must store the ingredients in between. It is so much easier this way, and you don't have a problem with different cooks for two separate menus."

New approach to service

Staffing and customer service can be a challenge in the all-day restaurant. "It is not easy," says Milliken of the City Restaurant. "It is an effort, and there is not a relaxing time in the afternoon." Notes Wine of the Casual Quilted Giraffe, "We have basically two shifts, but some people come to work at 9:00 a.m., some at 11:00 a.m., some at noon and some at 3:00 p.m. Serving in an all-day operation requires a different kind of thinking. Usually in a restaurant between three and six in the afternoon, the waitstaff is winding down. Someone is counting cash, and others are sitting for a few minutes, relaxing before the dinner hour. Here we can't do that. It is a different mind-set. Employees have to be pushed by management to understand that. We cannot operate with a surge of energy at lunch and a lapse after 3:00 p.m. There is no downtime, and employees have to realize that."

Buchanan at Lettuce Entertain You Enterprises could not agree more. "Operationally, we want to give the customer who comes in at 3:00 p.m. the same high standard of service that we give the one who comes in at noon.

We want to seat them as quickly and serve them as rapidly. To do this, we are really careful to avoid the 'off' mentality which is very typical in a restaurant during these hours." To get the point across to employees is the job of management, adds Buchanan. "We simply have to communicate to staff that maintaining the same high-quality service into the afternoon is important to us," he says. "They will do it for us once they realize it is important. But, if management is not committed, employees will not be committed either. Psychologically, some employees don't like to work when there is no rush, but we make sure we cut the staffing enough during the slow time to make it worthwhile financially for the employees who stay."

To provide that on-the-spot service, Milliken of the City Restaurant added one extra person, who comes in for the afternoon. "From three to five we are not full, but we have people on the patio and a few in the bar and restaurant, which keeps this person busy," she says.

In sum

The off-peak business is a small segment, but one which can be profitable. The keys to developing this segment start with a good location with a lot of traffic and a varied menu. It does take some motivating of employees and often some rearranging in the kitchen to manage the extended hours. But, the trouble can be worth it. ❑

Association officers unveil foodservice forecast to media

National Restaurant Association officers officially released the association's 1987 outlook for the foodservice industry at a New York press conference last month. Chairman of the Board and President G. "Jim" Hasslocher (Frontier Enterprises, San Antonio, TX), Vice President Michael J. Grisanti (Grisanti, Inc., Louisville, KY) and Treasurer Jim L. Peterson (Whataburger, Inc., Corpus Christi, TX) discussed the forecast, emphasizing consumer trends and demographics that are fueling foodservice food and drink sales.

National Restaurant Association President G. "Jim" Hasslocher tells the media that foodservice industry sales will approach $200 billion in 1987.

President Hasslocher and Vice President Grisanti discuss industry trends with Darianne Dennis of *Fortune* magazine.

"To say that the foodservice industry has grown rapidly is an understatement. In the past 15 years, sales have increased fourfold. And, today, as the industry enters a more mature growth phase, we are forecasting sales in 1987 to approach a new milestone—$200 billion," President Hasslocher told the trade and consumer media assembled for the conference.

Hasslocher cautioned, however, that foodservice industry sales are closely tied to the welfare of the United States economy—in particular, to the amount of discretionary income available to consumers and to consumer confidence in the economy. These factors are less than certain pending implementation of the Tax Reform Act.

Hasslocher also identified potentially dangerous legislation that could undermine industry growth in 1987, such as increases in the minimum wage; mandatory "on-package" labeling; mandated benefits, such as medical and parental leave; and extended health benefits for ex-employees.

Vice President Grisanti predicted that in 1987, consumers will be more selective when dining out. He said they will patronize those restaurants that offer quality food and service at a reasonable price. He also anticipated that costs will increase for operators in 1987, but that competition will keep menu price advances down.

Treasurer Jim Peterson told attendees that consumer demand for convenience, variety, quality and value will shape restaurant trends next year and that demographic subgroups, such as working mothers and non-traditional households, will cause a proliferation of takeout, delivery and other convenience-oriented foodservice services.

Taking a look at industry developments, Peterson predicted that operators will continue to meet the consumer need for healthy and nutritious food by emphasizing more fresh foods and freshly prepared foods and by promoting non-alcoholic beverage lines.

Media attendees at the press conference included representatives of *Fortune* magazine, CBS Radio, *Nation's Restaurant News*, *Restaurants and Institutions* and *Restaurant Management.*

—*Dorothy Dee*

National Restaurant Association Board Members Jerry Berns (21 Club, Inc., New York, NY) and Mike O'Neal (The Ginger Man Group, New York, NY) listen to the association's latest industry forecast.

The connection between cancer and nutrition grows stronger

As consumers become more knowledgeable about the connection between nutrition and cancer, they are likely to pay more attention to their diets—both at home and in restaurants.

Because cancer is the second leading cause of death in the United States (after heart disease), affecting one of four Americans, diets designed to reduce the risk of cancer are receiving increased attention. Although research connecting diet and heart disease is not new, the relationship between diet and cancer is recent.

It is now estimated that 35 percent of all cancers are related to diet. Although the exact mechanisms are not completely understood, it is clear that some diets and food components, such as a high-fat diet or use of nitrates, can potentially increase the risk of developing cancer while others, such as a low-fat diet or consumption of vitamins A and C, may reduce the risk of cancer.

To date, most of the conclusions about diet and cancer have been drawn from studies of population groups. This means a positive association has been observed between the diet of an affluent society and the incidence of breast, colon and uterine cancers, but scientists have been unable to be definitive about a cause-and-effect relationship. The National Academy of Science Committee on Diet, Nutrition and Cancer described the current state of knowledge as an interim period, comparing it to the state of knowledge about cigarette smoking 20 years ago. In the meantime, the academy recommends that the public follows basic dietary guidelines based on sound nutritional principles. The recommendations are summarized below.

☐ **Eat more fresh fruits and vegetables and whole grains.** This advice incorporates several important findings. Fruits, vegetables and grains are high in fiber, a food component that may protect against cancer, especially colon cancer. Vitamins A and C also have been identified as cancer protectors, particularly against cancers of the esophagus, larynx, lungs and stomach. Using vitamin supplements for cancer prevention is not recommended, and megadoses are ill-advised because of their toxic potential. Instead, citrus fruits, strawberries, tomatoes, peppers, dark green and deep yellow/orange fruits and vegetables, such as squash, carrots and peaches, and dark green leafy vegetables, such as kale, spinach and lettuce, are being promoted for their vitamin C and beta-carotene content. (Beta-carotene is a substance that is converted to vitamin A in the body.)

Cruciferous vegetables, such as Brussels sprouts, cabbage, cauliflower, broccoli, mustard greens, rutabagas and turnips, are also beneficial because their nonnutritive substances may inhibit colon cancer.

☐ **Reduce fat consumption.** Although fat itself is not considered to be a carcinogen, a high-fat diet seems to alter the normal operation of body systems, which may cause cancer or speed up tumor formation. In fact, the evidence supporting a diet-cancer relationship is stronger for fat than for any other food component.

Americans derive about 40 percent of their calories from fats. A reduction to a 30-percent level is recommended, not only to protect against cancer but also to prevent heart disease. This amount translates into the equivalent of six to seven pats or teaspoons of butter, margarine or oil per 1,000 calories.

☐ **Eat salt-cured, smoked and charcoal-broiled foods in moderation.** Although these foods are not a great threat to Americans, the incidence rate of stomach and esophageal cancers is high in countries, such as Iceland, China and Japan, where foods smoked and salt-cured by traditional methods are popular. The liquid smoking process used by United States manufacturers seems to be less harmful. Moderation is also the rule for foods cooked over an open flame. It helps to cook over a low flame, precook to reduce the amount of time on the grill or avoid charring grilled foods.

FRESH SEAFOOD WITH TOMATOES, BASIL AND GARLIC CROUTONS

Serves 6

Ingredients:

- 16 baby clams
- 8 mussels
- 12 peeled prawns
- 12 oz. fresh fish, cubed (halibut, sea bass, etc.)
- 12 oz. scallops
- ¾ cup seasoned fish stock or clam juice
- ½ cup dry white wine
- 4 cups finely pureed tomato pulp
- 1 head garlic, roasted, peeled and pureed
- 1 cup julienned vegetables (carrots, celery, leeks)
- 1 baguette of French bread
- 2 tspn. fresh basil, chopped (whole leaves for decoration)
- salt and white pepper

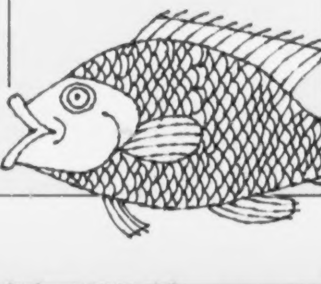
Preparation:

To roast garlic, bake one whole head of garlic at 350°F for 10 minutes. Peel and puree. To prepare French bread, cut one baguette into 24 slices, approximately one-third inch thick. Toast lightly in low oven. In a skillet, heat wine and fish stock, and add ½ tspn. roasted garlic puree, julienned vegetables, clams and mussels. Cover and steam for 3 minutes. Add remaining fish, chopped basil, tomatoes and a little white pepper. Cover and simmer for 3 minutes. Add salt to taste. Spread the remaining garlic on the dry, toasted French bread.

To serve:

Place fish mixture on each of the 6 plates. Place 4 slices of bread on top of each fish portion. Decorate the dish with fresh basil leaves.

—Emiles, San Jose, CA; Recipes for Living—California Style, American Cancer Society, California Division



☐ **Drink alcohol in moderation.** Although there is limited evidence implicating alcohol intake with cancer, when large quantities of alcohol intake are combined with smoking, the risk of cancers of the mouth, larynx, esophagus and respiratory tract is increased. The guidelines advise that no more than two alcoholic drinks should be consumed per day.

☐ **Avoid moldy nuts, seeds and grains.** Aflatoxins, naturally occurring toxic substances resulting from molds, have been correlated with a high incidence of liver cancer in some countries. The extent of aflatoxin contamination in the United States is low, occurring primarily in peanuts, corn and cottonseed that develop mold during harvesting or storage. It is best to avoid any nuts, seeds or grains that appear moldy.

In conclusion

The results of ongoing research should yield more definitive information about the association between nutrition and cancer. Until then, the public will continue to receive messages based on the interim guidelines, which may result in even more interest in fresh fruits and vegetables, whole grains, fat reduction and moderation of alcohol intake.

For more information about the relationship between diet and cancer, contact The American Cancer Society, 90 Park Ave., New York, NY 10016, (212) 599-8200; The American Institute for Cancer Research, 500 N. Washington St., Suite 100, Falls Church, VA 22046, (703) 237-0159; National Cancer Institute, 9000 Rockville Pike, Bethesda, MD 20205-4200, (800) 4-CANCER.

—Claire Regan, R.D.

Fisher's Law #79

Executive exercises

In today's fast-paced business world, with its accompanying travel schedules and splendiferous caloric encounters, there is often little time or opportunity to engage in physical exercise to stay in or reach top physical condition. Some of us delude ourselves into believing that weekly excursions to a grassy plain, pockmarked with occasional holes, where we swing a stick 72 to 120 times (depending) at a little sphere and follow it by riding in an electric cart, are exercise, but that may be "stretching" things a bit. Here are some suggestions for exercising while at work, in an airplane or in another business situation.

1. Place both hands in front of you, "handcuff-style." Curl fingers around a wood pencil, grasping firmly. Quickly and sharply, snap hands either upward or downward to make the tops or bottoms of your wrists touch. Do this at least 24 times per day. **Note:** You will go through two dozen pencils, but your employees will think you are a prolific writing genius.

2. Sit up straight in your chair with your hands on your hips. Quickly move the upper half of your torso forward and down. Repeat several times. **Note:** Be sure your chair is away from your desk. Otherwise, you will only do this once, and then you will look like you are napping on your desk.

3. Touch your chin to your chest; then, crisply move your head straight up to look at the ceiling directly above you. Return your head to its normal forward position. Turn your head to the left and touch your chin to your left shoulder. Then, quickly swivel your head to the right and touch your chin to your right shoulder. Repeat all movements as rapidly as possible. **Note:** You can do this exercise in front of your employees when they ask you to approve a major project.

4. Rotate your left shoulder up, down and around. Repeat with your right shoulder. Alternate. **Note:** Many people practice this exercise at company parties.

5. Move your right cheek up and simultaneously move your right eyelid down over your right eye. Repeat with your left cheek and left eyelid. Alternate. **Note:** This exercise is particularly effective in public spaces, such as hallways, elevators and waiting rooms, where the general public congregates.

6. Place your hands on your desk with your fingers open but slightly curled. Sequentially raise and lower first the left little finger, then the ring finger, the middle finger, the index finger and the thumb. Repeat with the right hand. Reverse the sequence. **Note:** People who have recently purchased home computers or typewriters have been known to practice this exercise. It is especially effective when you want to give employees the impression that you are carefully and deliberately weighing everything they are saying to you.

7. Bring your shoulders up as close to your ears as possible. Then, drop them. Repeat movements in rapid sequence. **Note:** This exercise can be practiced when employees approach you for a decision on an important matter.

8. Furrow brow upward, then relax. Repeat several times. Depending on the tightness of your skin and your muscle control, this exercise may cause your ears to wiggle. **Note:** This exercise can be practiced when delivering a major speech.

9. Place heel firmly on the floor. Rapidly raise and lower the front portion of the foot. A "tapping" noise may result. **Note:** This exercise can be practiced while you are waiting for your employees to come into a meeting.

10. Slide your chair away from your desk a short distance. Slightly angle the chair to the left or right corner of your desk. Swing the leg nearest the desk up on top of the corner of the desk. Then, follow by swinging the remaining leg over the first leg. Repeat several times a day. **Note:** This exercise can be practiced when you meet with business guests to illustrate general office demeanor and your personal humility.

There are a number of other exercises of this sort that executives can and do practice, but these are enough for now.

Fisher's Law #79: If you practice these exercises, your employees will be exercised as well.

Foreign travel to the U.S. is on the upswing

Since 1981, when the volume of foreign visitors to the United States peaked at 23.6 million, America has witnessed a gradual shrinking of inbound foreign visitors. The strength of the dollar against foreign currencies was largely to blame for the drop. However, 1986 marked a turning point as the dollar weakened in foreign markets, and world economic conditions stabilized. Last year, the United States welcomed 21.5 million visitors, a 2.4-percent increase over the prior year. According to the U.S. Travel and Tourism Administration (USTTA), 1987 promises to be an even better year. USTTA projects an influx of 22.2 million foreign travelers, up a solid 3.3 percent over 1986.

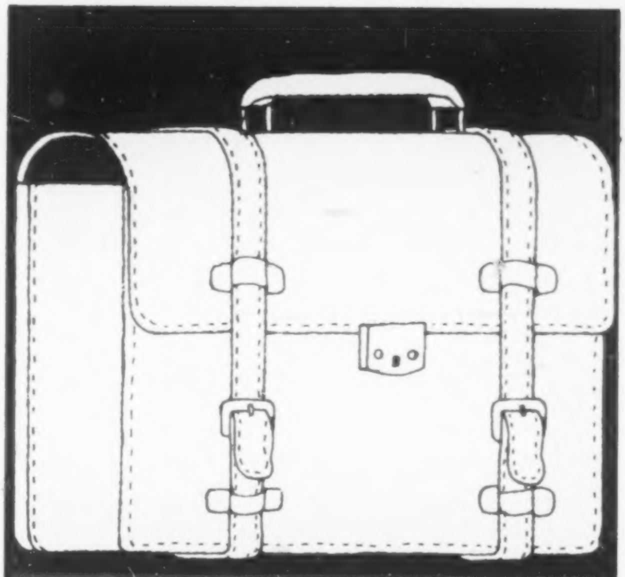
Most visitors come from Canada

The majority of foreign visitors to the United States come from our North American neighbors. More than 60 percent of all visitors in 1986 came from Mexico and Canada, with Canada accounting for the largest share—51 percent. Nearly 11.0 million Canadians traveled to the United States last year, and 11.2 million are expected this year. Most Canadians reportedly come to the United States mainly in search of a unique vacation. Results from a 1984 USTTA survey reveal Canadians see the United States as a place to shop, visit theaters and taste the excitement of urban living. In contrast, they perceive their own country as a place for relaxing, family vacations and for exploring rural areas.

Most Canadians—64 percent—travel by car to this country. Another 28 percent come by plane. More than one-third of all travel from Canada to the United States occurs during June, July and August.

While the number of Canadians visiting the United States has remained relatively stable throughout the first part of the decade, visits by our southern neighbors have been erratic. In 1981, 3.6 million Mexicans visited the United States. The number dropped to 1.9 million two years later, but last year it climbed to 2.2 million.

Mexican travel has been affected by the country's unsettled economic conditions. The dramatic decline in the price of oil has forced the Mexican government to borrow heavily from international markets. As a result, Mexico has experienced rapid increases in prices and interest rates, and most Mexicans have little money for travel. Consequently, the USTTA is forecasting another decline in the number of Mexican visitors in 1987. Only 1.9 million Mexicans are expected to travel to the United States this year—half the number that came in 1981.



Total foreign arrivals in the United States

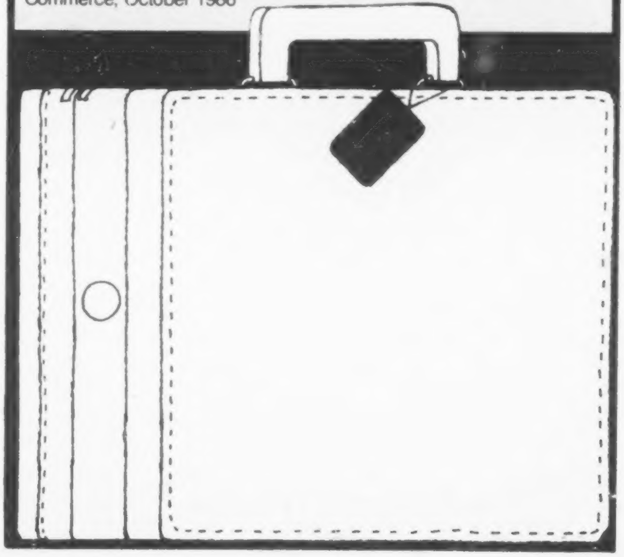
The number of foreign visitors to America is growing

Year	Number of arrivals (millions)	Percent change
1980	22.3	—
1981	23.6	5.8%
1982	21.8	(7.6)
1983	21.7	(0.5)
1984	21.0	(3.2)
1985	21.0	nc*
1986p	21.5	2.4
1987p	22.2	3.3

p projected

** no change*

Source: U.S. Travel and Tourism Administration, U.S. Department of Commerce, October 1986



More travelers from overseas

The declining value of the United States dollar and pent-up demand are contributing to a rise in the number of overseas visitors to this country. Overseas travelers account for about 40 percent of the total inbound market today, compared to 18 percent in 1970.

A USTTA survey of overseas airline passengers reveals most visitors to the United States come for a vacation or holiday (46 percent). However, a substantial 35 percent travel to this country for business.

Visitors, in general, travel by themselves (41 percent) or in a family group (39 percent) and spend, on average, 22 nights in the United States. Managers or professionals make up the bulk of the United States inbound overseas travel market (55 percent), with the average family income of foreign visitors being $36,655. More than 80 percent of overseas travelers to the United States are repeat visitors, which means they have visited this country on at least one other occasion.

About 16 percent of all foreign visitors were from Europe last year. The United Kingdom, West Germany and France are prime tourist-generating countries. Some 1.1 million British, 620,000 West Germans and 395,000 French citizens traveled to the United States last year. Scenic places are the main draw for all three nationalities, according to a USTTA survey. Interacting with pleasant and interesting people were other factors cited. In addition, travelers from the United Kingdom said they wanted to sample good food, West Germans wanted to head to the beach, and visitors from France expressed an interest in seeing historic sites.

Visits by Asians have increased dramatically in recent years. In 1981, 2.1 million Asians traveled here, and they accounted for about nine percent of the total inbound market. By 1986, Asians captured 12 percent of the market (2.5 million visitors). Japan consistently makes up the largest portion of the inbound market from Asia.

For Japanese, the most popular overseas travel destination is the United States. Three out of 10 overseas trips taken by Japanese travelers were to this country in 1984, according to statistics compiled in *Travel and Leisure's World Travel Overview 1986/87.* This popularity may be due in part to a promotional campaign being waged by the Japanese government to ease trade problems between the two nations. This effort, in combination with the Japanese love of travel, helped generate approximately $1.4 billion dollars in travel receipts for the United States in 1985.

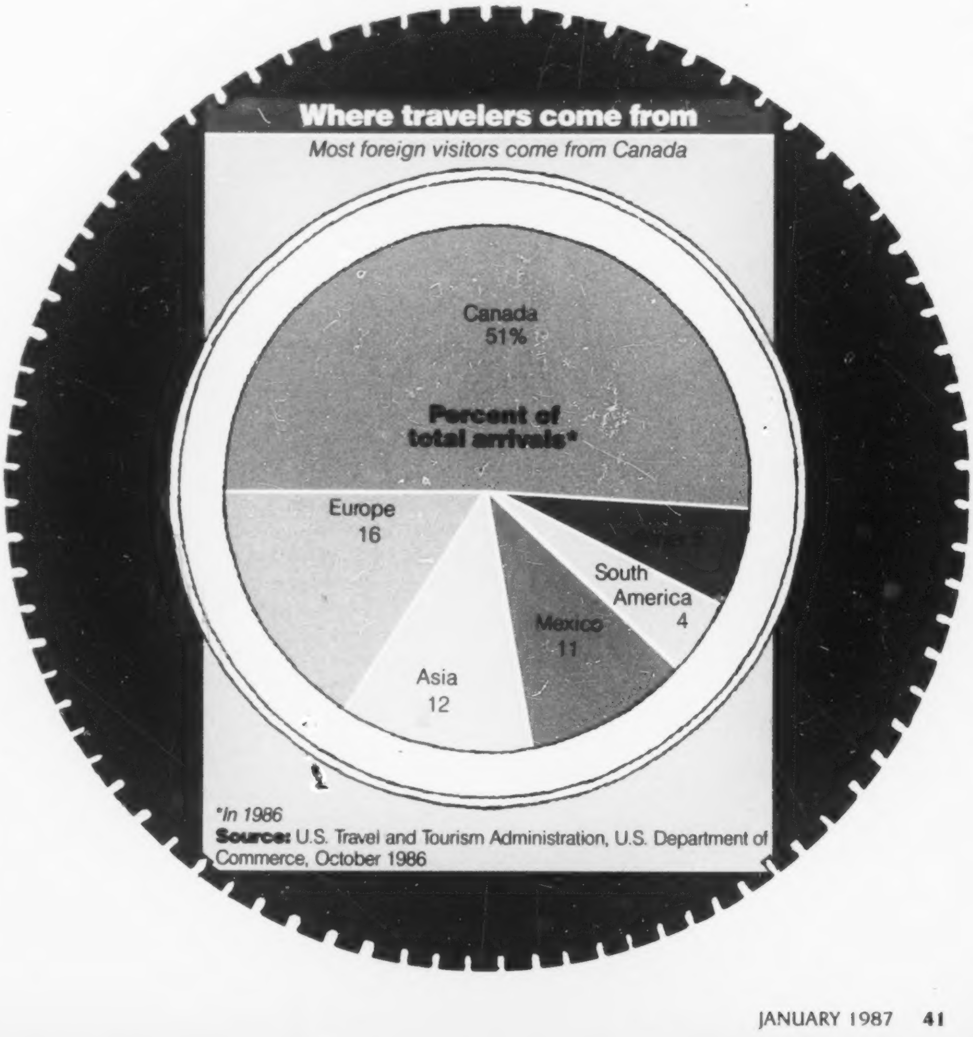
Because the United States offers vacation options that fit almost any Japanese budget, from expensive tours of the contiguous 48 states to low-cost trips to Guam, it seems unlikely that the Japanese will lose their enthusiasm for travel to this country. In fact, the USTTA is forecasting that the number of inbound Japanese tourists will reach 1.7 million in 1987. This is a 10-percent increase over 1986 and represents the largest gain for any single country.

Foreign visitors generate jobs and income

Foreign visitors make a sizeable contribution to our economy. Their spending generates tax revenues as well as employment and wage and salary income. According to the most recent

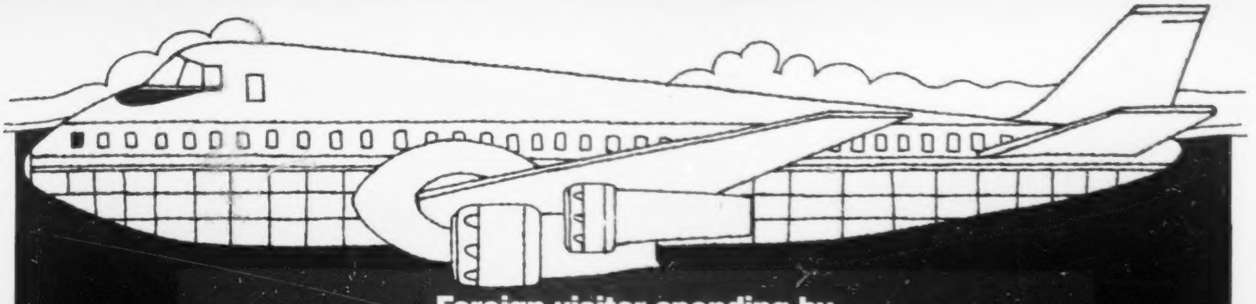
Where travelers come from

Most foreign visitors come from Canada



*In 1986

Source: U.S. Travel and Tourism Administration, U.S. Department of Commerce, October 1986



Foreign visitor spending by regions of the country in 1983

The Pacific states captured the greatest amount of foreign tourist expenditures

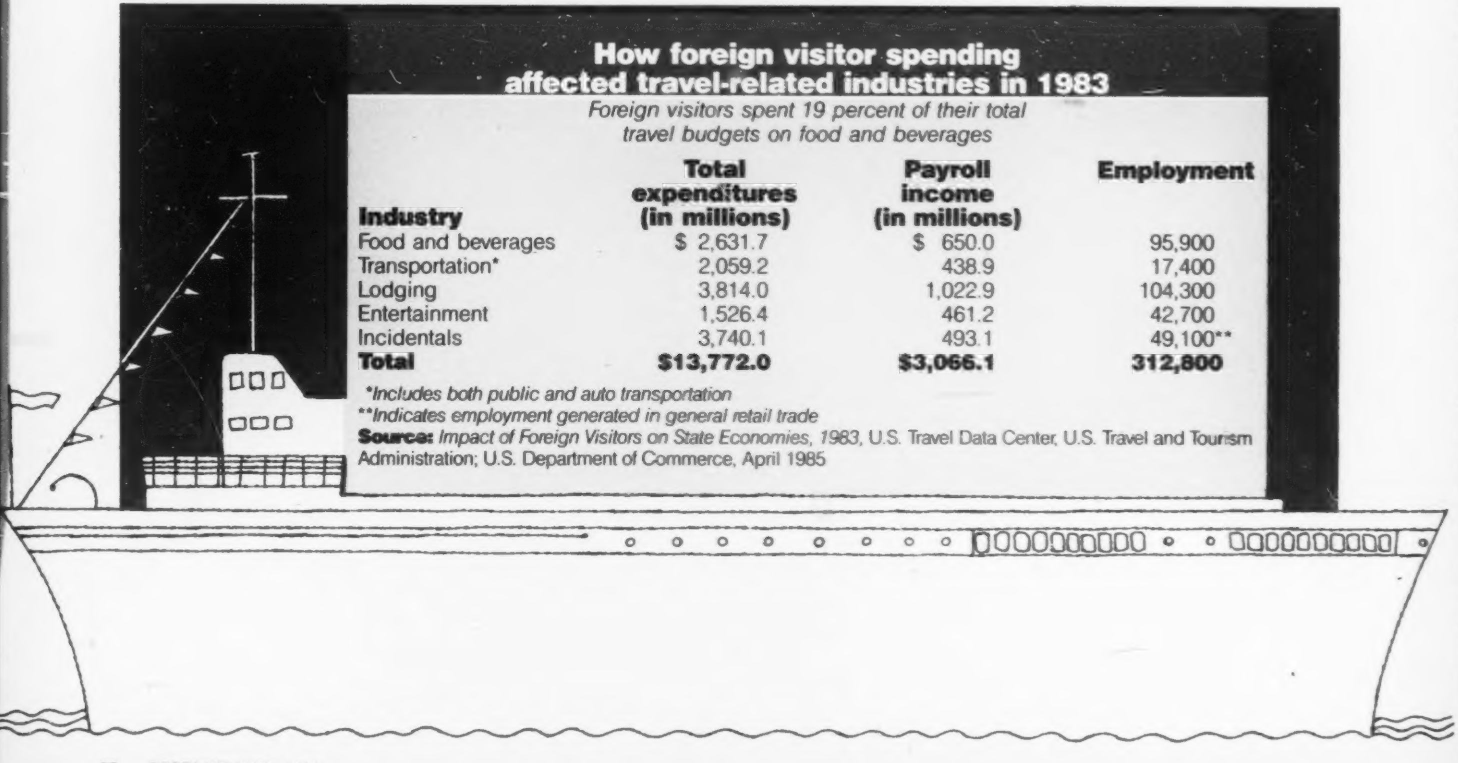
Region	**Total expenditures (in millions)**	**Contributions to income payroll (in millions)**	**Employment**
New England	$ 524	$ 119.2	14,400
Middle Atlantic	1,920	487.2	44,500
Southeast	3,497	803.0	83,600
East North Central	585	140.3	16,600
West North Central	221	52.5	6,700
West South Central	1,300	260.3	26,900
Mountain	949	213.0	22,800
Pacific	4,114	990.6	97,100
Total*	**$13,110**	**$3,066.1**	**312,800**

**Total does not include expenditures in the U.S. territories*

Source: *Impact of Foreign Visitors on State Economics, 1983,* U.S. Travel Data Center, U.S. Travel and Tourism Administration; U.S. Department of Commerce, April 1985

in-depth analysis of foreign-tourist expenditure data by the USTTA, the 21.7 million foreign visitors who traveled in the United States in 1983 spent $13.8 billion dollars. It is estimated that every dollar spent by a foreign tourist generated 24 cents in payroll income and 12 cents in tax revenues. The accompanying tables demonstrate how foreign-visitor spending affected travel-related industries and how much payroll income and employment was generated in each of the census regions.

As shown, foreign travelers spend the most money in the Pacific region of the country. About one-third of total foreign-traveler spending occurs in the Pacific states, where it generates nearly $991.0 million in payroll income and 97,100 jobs. California is the leading foreign-tourism state in this region. Visitor spending topped $2.6 billion in California in 1983.



How foreign visitor spending affected travel-related industries in 1983

Foreign visitors spent 19 percent of their total travel budgets on food and beverages

Industry	**Total expenditures (in millions)**	**Payroll income (in millions)**	**Employment**
Food and beverages	$ 2,631.7	$ 650.0	95,900
Transportation*	2,059.2	438.9	17,400
Lodging	3,814.0	1,022.9	104,300
Entertainment	1,526.4	461.2	42,700
Incidentals	3,740.1	493.1	49,100**
Total	**$13,772.0**	**$3,066.1**	**312,800**

**Includes both public and auto transportation*

***Indicates employment generated in general retail trade*

Source: *Impact of Foreign Visitors on State Economies, 1983,* U.S. Travel Data Center, U.S. Travel and Tourism Administration; U.S. Department of Commerce, April 1985

The Southeast region also enjoys substantial benefits from foreign tourism. Spending totaled $3.5 billion in the Southeast in 1983. Florida led the way, contributing $2.7 billion to the region's total.

Foreign travelers spent $1.9 billion in the Middle Atlantic states in 1983. New York outdistanced other states in the region, with foreign-tourist spending totaling $1.6 billion. The West North Central region received the smallest boost from foreign tourism.

Serving the foreign visitor

Here are some tips for serving foreign patrons.

1. Train foodservice personnel to be responsive, patient and courteous in all their dealings with guests from other countries.

2. Put foreign guests at ease by addressing them in their native tongues, even if only to welcome them. Encourage customer-contact personnel to master key phrases in foreign languages or single out employees who are fluent in another language to work directly with visitors.

3. Provide waitstaff with menu translations or post menus printed in several languages to facilitate the ordering process. Remind employees to be willing to describe menu items to guests unfamiliar with American cuisine.

4. Keep conversion charts ready to convert dollars to foreign currencies so visitors will know how much they are paying.

5. Identify facilities, such as rest rooms and telephones, with symbols as well as words to help bridge language barriers.

Foodservice benefits from foreign tourism

The lodging industry captured the greatest share of foreign-visitor spending in 1983—28 percent or $3.8 million. More than 104,000 jobs were created in the lodging industry that year as a result of foreign tourism, and $1.0 billion in payroll income was generated.

Incidentals, such as gifts and souvenirs, were the second largest expenditure category. Although visitors spent more than $3.7 billion dollars on miscellaneous purchases, these expenditures created just 49,100 jobs and $493.1 million in wage-and-salary income in the general retail trade sector.

The foodservice industry was third in revenue and second only to lodging in terms of number of jobs and amount of payroll income generated by foreign visitors. Foreign visitors spent more than $2.6 billion on food and beverages at restaurants in 1983. These expenditures created nearly 96,000 foodservice jobs and $650.0 million in wage-and-salary income.

Opportunities exist

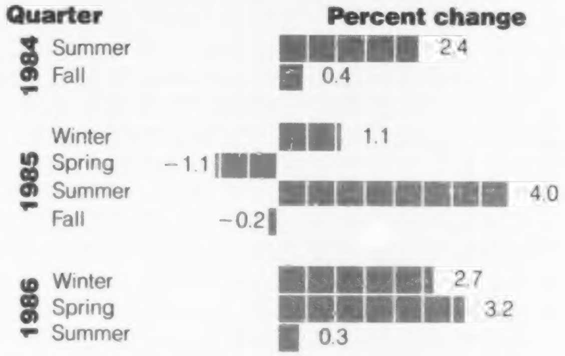
Conditions which spurred an increase in foreign tourism in the United States in 1986, namely a weaker dollar and improved world economic conditions, are expected to prevail in 1987. Consequently, opportunities exist for many restaurateurs, especially those in prime foreign-tourism areas, to capture more of the visitors' food dollars. These visitors want the chance to "taste" American culture, and restaurants are an integral part of that experience.

—Kate Conroy

June–July–August

CREST Report

Percent change in quarterly traffic
summer 1984–summer 1986
Summer quarter customer counts posted the smallest gain so far this year



Note: Percent change is from same period in the prior year.
Source: CREST *Household Report*, GDR/CREST Enterprises

Small gain in summer quarter traffic

Customer counts at the nation's restaurants edged up a slight 0.3 percent during the 1986 June–July–August period over the same time period in 1985. This is well below the 2.7-percent and 3.2-percent gains registered, respectively, during the previous winter and spring quarters. The weak showing is due in part to strength in consumer spending for durable goods, especially automobiles, which has left consumers with less dollars to spend for restaurant meals.

Industry summary

☐ **Customer traffic** rose 0.3 percent in the summer of 1986. Customer counts at breakfast slipped 2.4 percent, but traffic was up at the other two meal periods. Lunch posted a slight 0.1-percent increase in traffic, and dinner recorded the strongest performance with customer counts up 2.2 percent.

☐ **Sales** at all restaurants advanced 2.6 percent in spite of lower customer counts. Lunch and dinner sales rose 3.2 percent and 3.3 percent, respectively, but breakfast suffered a 6.8-percent decline.

☐ **Visit frequency,** the number of visits to restaurants by at least one household member, dropped 2.9 percent. However, penetration, the total number of households eating out, edged up 0.4 percent.

☐ **Average check size** rose 2.1 percent from $3.31 in the summer quarter of 1985 to $3.38 in 1986. This increase follows a 0.3-percent decline in average check size during the 1986 spring quarter.

☐ **Use of promotions**

posted a strong 7.0-percent increase. Patrons used promotions on 11.1 percent of all occasions in the summer of 1986, up from 10.4 percent one year earlier.

Quickservice restaurants

☐ **Customer traffic** at quickservice restaurants rose 2.5 percent during the summer of 1986. Consumer enthusiasm for hot, spicy and unusual foods, combined with wider availability, have helped boost traffic at quickservice ethnic restaurants. Customer counts were up 41.2 percent at Asian quickservice places and 21.2 percent at Mexican restaurants. A very healthy 40.9-percent increase in traffic at barbecue places also contributed to this segment's overall traffic gain.

☐ **Sales** increased 7.2 percent at quickservice restaurants in response to increases in customer traffic.

☐ **Visit frequency** fell 1.1 percent during the summer 1986 quarter, while penetration inched up 0.3 percent.

☐ **Average check size** reached $2.43 last summer, a 4.3-percent increase over the same quarter in 1985.

☐ **Promotions** were used on 12.5 percent of all quickservice occasions during the 1986 summer quarter, up from 11.9 percent in 1985.

Midscale and upscale restaurants*

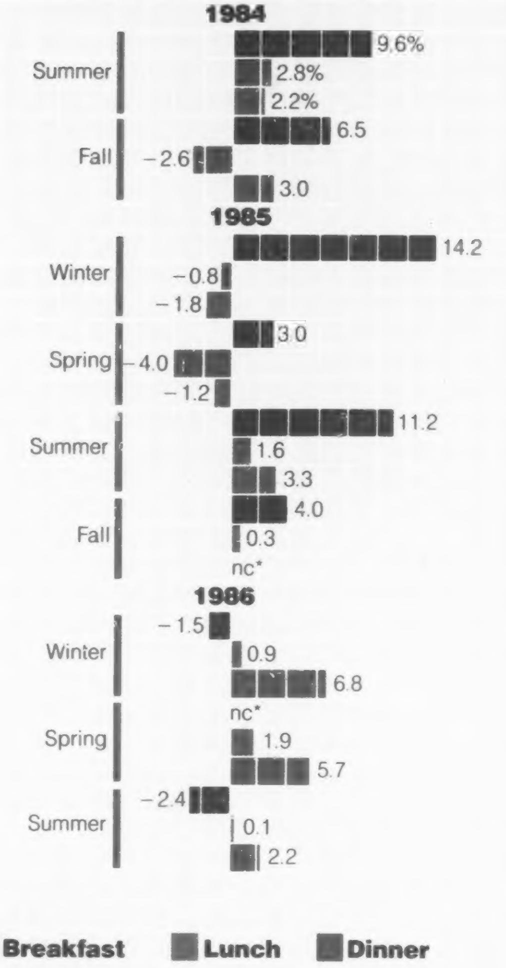
☐ **Customer traffic** dropped 4.1 percent at midscale and upscale restaurants. In spite of the overall decline, ethnic restaurants, especially Asian establishments, performed well last summer. Traffic at midscale Asian restaurants rose a substantial 26.8 percent, and counts at upscale Asian places increased 12.6 percent.

☐ **Sales** at midscale and upscale restaurants edged down 1.4 percent during the 1986 summer quarter as a result of lower customer counts.

☐ **Promotions** were used on 8.4 percent of all occasions at midscale establishments, up 9.1 percent over the summer quarter of the previous year. At upscale restaurants, use of promotions climbed 10.5 percent. During the summer months of 1986, upscale patrons used promotions on 8.8 percent of all occasions.

Percent change in traffic during meal periods

In the summer of 1986, customer counts at breakfast slipped 2.4 percent, but traffic was up at the other two meal periods



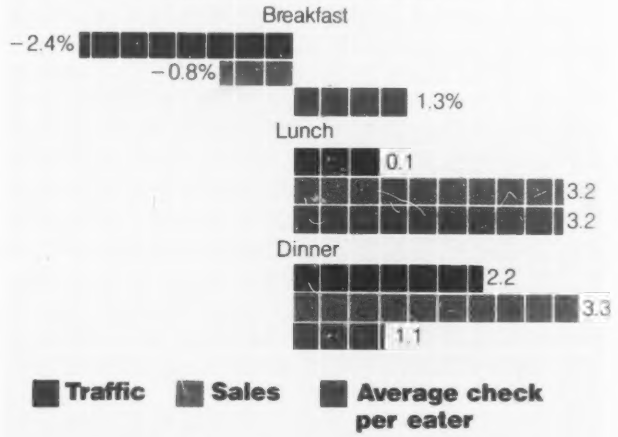
*nc: no change

Note: Percent change is from same period in the prior year.

Source: CREST *Household Report*, GDR/CREST Enterprises

Summer quarter performance by meal periods

Dinner posted the biggest gains in both traffic and sales this summer



Note: Percent change is from same period in the prior year.

Source: CREST *Household Report*, GDR/CREST Enterprises

**Several changes have been made in the way CREST processes the diary information that have affected the comparability of 1986 summer data with that of the summer quarter of 1985. A new "Casual Dining" segment has been added to the upscale segment. Included in this category is information for many eateries which were previously classified as midscale specialty or family-style restaurants. Increases or decreases in midscale and upscale traffic, sales and average check size, when compared to the 1985 summer quarter data, may be overstated or understated. To compensate for these changes, sales and traffic data for midscale and upscale segments were combined for this summary.*

1 NEW ENGLAND

Location: Bomoseen, VT
NRA member: Robert A. Steen
Operation: Checkmate Family Restaurant
Profile: Fullservice family restaurant/ice cream stand
In business: 22 years
Seats: 40
Meals served: Lunch, dinner

"We're going through a transition, and business is slow," says **Robert Steen,** owner of the Checkmate Family Restaurant, located near Lake Bomoseen, outside of Rutland. Around Thanksgiving, Steen usually closes the Checkmate for the winter and opens his other restaurant in the Killington ski area. But, after 17 years, he is tired of opening and closing two restaurants, and he is making the Checkmate a year-round operation.

The Checkmate is a combination fast food/fullservice restaurant. Customers have the option of ordering from a walk-up window or eating inside with waitress service.

The menu is varied, and it includes everything from an 85-cent hamburger to a $7.50 steak. Salads, sandwiches and subs are also popular, and Steen has developed a unique batter that he uses on fresh fish and chicken. In general, says the owner, "We're a little country restaurant, and people like whatever we offer them. We see a lot of the same faces every year, so we must be doing something right."

2 MID ATLANTIC

Location: Wellsville, NY
NRA member: James Raptis
Operation: Texas Hot Restaurant
Profile: Fullservice family restaurant
In business: 65 years
Seats: 75
Meals served: Breakfast, lunch, dinner

Things seem to change slowly in Wellsville, NY, a rural community located in the southwest portion of the state, 10 miles from the Pennsylvania border. The small town of 6,000 enjoys a fairly stable economy, and business at the Texas Hot Restaurant, says co-owner **Jim Raptis,** has always been "stagnant but steady."

The Texas Red Hot—a hot dog with meat sauce, mustard and onions—has been the restaurant's signature item since the restaurant was opened in 1921. Raptis has not noticed the hot dog's national resurgence because, he says, "They never went out of style here." He serves about 1,000 Texas Red Hots each day.

Customers begin strolling in at 6:00 a.m. for breakfast. At lunch and dinner, too, many dishes are served hot off the grill, positioned near the front window. Texas Hot Restaurant customers sit at Formica tables in high-backed wooden booths that were installed in 1937.

3 SOUTH ATLANTIC

Location: Edgewater, MD
NRA member: Robert Proctor
Operation: The Country Kitchen
Profile: Fullservice family restaurant
In business: 3 years
Seats: 53
Meals served: Breakfast, lunch

Since he took over The Country Kitchen three years ago, restaurant sales have increased each month, says owner **Bob Proctor.** As with many family restaurants, the weekends bring the largest crowds. "It's standing room only," he says.

What is responsible for the success of the 53-seat operation, which is located four miles outside of historic Annapolis? Proctor attributes his restaurant's popularity to two factors: "a decent meal at a reasonable price and the friendliness of the help."

The local people, who come to converse as well as to eat, are particularly fond of Proctor's breakfast specialties, such as chipped beef, waffles and sausage with gravy. Lunch specials include pork chops, *Mom's Casserole* (a secret recipe), clam chowder and, when in season, soft shell crabs, oyster sandwiches, crab cakes and oyster stew.

Is The Country Kitchen being hurt by any local competition? "The only thing hurting us," says Proctor, "is the size of the restaurant." Next year Proctor hopes to open for dinner and expand.

4 EAST NORTH CENTRAL

Location: Illiopolis, IL
NRA member: Scott Cowherd
Operation: Scott's Family Restaurant Incorporated
Profile: Fullservice family restaurant
In business: 9 months
Seats: 64
Meals served: Breakfast, lunch, dinner

"Business is real good," says **Scott Cowherd,** owner of Scott's Family Restaurant in rural Illiopolis, IL (population 13,000). The local economy, which depends on farming, is also doing well.

Location is the key to Cowherd's success. His restaurant, which is situated near a highway between Decatur and Springfield, is 20 miles away from the nearest fast food restaurant, and, according to Cowherd, it is really the only eating establishment around. To take advantage of his lack of competition, Cowherd is about to initiate a pizza delivery service.

Cowherd arrives at his restaurant at 3:30 each morning to begin baking cinnamon rolls, doughnuts, breads and pies. Other house specialties include broasted or pressure-fried chicken and catfish. The local consumers, he says, "aren't concerned about diet foods. They want everything fried. They like greasy foods."

5 EAST SOUTH CENTRAL

Location: Pascagoula, MS
NRA member: Chris Harris, Mary Ann Jones

Operation: Fillets Incorporated—Your Family Restaurant
Profile: Fullservice family restaurant
In business: 3 years
Seats: 145
Meals served: Lunch, dinner

"Business is real good," says **Mary Ann Jones,** co-owner of Fillets. The family-style restaurant is located in Pascagoula, a "little-bitty town" on Highway 90 in south Mississippi. The specialty of the house is Mississippi-style home cooking.

Fillets attracts a lot of regulars, who, says Jones, are a comfortable mix of businessmen and blue collar workers. They eat lots of fried chicken, rock shrimp, oysters and fried catfish. Lunch plates cost less than $4.00, and for $6.99, customers can feast on all-you-can-eat specials.

Fillets is not open for breakfast because, Jones says, she already works too hard at lunch and dinner. Still, she is very happy to be an independent restaurateur. "I'm sure there are 100 advantages to being in a chain," she says. "But I love being in business for myself."

6 WEST NORTH CENTRAL

Location: Dickinson, ND
NRA member: Shelly Schaff
Operation: Dakota Farms Family Restaurant
Profile: Fullservice coffee shop/family restaurant
In business: 3½ years
Seats: 130
Meals served: Breakfast, lunch, dinner

"Things are touch and go" at Dakota Farms Family Restaurant, says manager **Shelly Schaff.** The area's economy has been hit hard by dropping oil prices, and, like some other local restaurants, Dakota Farms is "trying to weather the storm."

The restaurant and coffee shop sells a lot of breakfast items, which are available throughout the day. The *Rancher's Breakfast,* which consists of two eggs and hash browns with green peppers and ham, is especially popular. Daily specials are rotated and include Swiss steak, lasagna, cabbage rolls, chicken-fried steak and an all-you-can-eat ribs offering. All pies, pastries and soups are homemade.

Service is fast at Dakota Farms, but many regulars come to sit and pass the time. "Unfortunately," says Schaff, "you don't make a lot of money off of coffee."

7 WEST SOUTH CENTRAL

Location: Weatherford, TX
NRA member: Dan Clauson
Operation: Jack's Family Restaurant
Profile: Fullservice family restaurant
In business: 36 years
Seats: 95
Meals served: Breakfast, lunch, dinner

"Because of the ripple effect from the state's weaker economy, sales have been a little soft since August," says **Dan Clauson,** owner of Jack's Family Restaurant. Still, because the restaurant is located in a fast-growing bedroom community 20 miles outside of Fort Worth, business is "way up" compared to five years ago.

Jack's specializes in Texas-style country cooking, served in "a relaxed, laid-back atmosphere." Homemade biscuits and hash browns, plate lunches and chicken-fried steaks are customer favorites. Some lighter items, such as a salad bar and turkey plate, have recently made their way onto the menu, and Clauson also has adapted his children's menu to include half-portions for older customers.

Clauson's competition includes a Dairy Queen, a barbecue restaurant and a convenience store that serves meals. Jack's has "managed to stick it out," says Clauson, because he has always used the best ingredients.

What does Clauson believe the future holds for independent, family-style restaurant owners in Texas? "Texans are very tradition-oriented," he says. "Here, the customers know me personally, and I think that makes a difference."

8 MOUNTAIN

Location: Jackson, WY
NRA member: J. Cle Allen, Sherry Allen
Operation: Nellie's Family Restaurant
Profile: Fullservice family restaurant
In business: 4 years
Seats: 168
Meals served: Breakfast, lunch, dinner

"Business is real comparable to last year," says **Cle Allen,** owner of Nellie's Family Restaurant. "We're hoping for it to get better." The restaurant, located south of Yellowstone Park, is in an area that relies heavily upon the tourist trade. Allen believes this summer's expo in Vancouver probably affected traffic as has local competition.

Nellie's 1880 decor was custom-designed for Jackson. The restaurant's interior relies heavily on burgundies and blues, natural woods and chandeliers. The restaurant's recently awarded liquor license, Allen hopes, will give him the flexibility to create a white-tablecloth dining area to complement his family section.

Nellie's, however, is already a restaurant with a great deal of flexibility. "We can be a traditional 'mom and pop,'" says the owner, "or we can be more exotic." As an example of the more exotic side, a recent party menu included alligator tail, rattlesnake, camel, zebra and lion.

Even the everyday menu at Nellie's has a bit of flair. In addition to sandwiches, omelets, chicken and seafood, there are homemade malted Belgian waffles, chicken enchiladas and steaks made from buffalos.

9 PACIFIC

Location: Eugene, OR
NRA member: Willard C. Hein
Operation: Lou and Ev's Cafe Inc.
Profile: Family dinnerhouse
In business: 41 years
Seats: 50
Meals served: Dinner

"Eugene relies heavily on the oil and lumber industries," says **Flo Hein,** of Lou and Ev's, "and they haven't been doing too well." Hein's small, family-run restaurant, however, is quite well established, and business has remained fairly steady.

Lou and Ev's is a small dinnerhouse that specializes in chicken, steaks and seafood served, says Hein, at nominal prices. The atmosphere is casual and informal, and the customers are as varied as the menu. Hein "has watched lots of kids grow up during our 41 years in business."

In addition to "Lou and Ev's Famous Chicken Dinner," Hein is proud of the restaurant's baked ham, prawns, lobster and *Sea and Turf,* an oyster and sirloin combination. Homemade desserts include cheesecakes, carrot cakes and parfaits.

—David Slater

A spicy spin-off

Hard Times Cafe, an American chili parlor based in Alexandria, VA, has turned its signature item into a retail package. It is marketing a "do-it-yourself chili kit," which includes an apron with the restaurant's logo as well as two spice packages. One package is for the cafe's sweet and spicy *Cincinnati Chili*, and the other is for its incendiary Texas-style chili.

HARD
TIMES
CAFÉ

Each package has enough fixings to feed 15 to 20 people. Although the chili kits are currently being marketed only in the Washington, DC, area, the cafe has already received orders from as far away as Texas. The total kit—apron and spices—sells for $10.

Hard Times Cafe originally began selling spices to customers who wanted to make the chili at home, but the owners soon decided to try to make a dent in the nation's $38-million, chili-spice market. "We'd like to get a piece of that market," says co-owner Fred Parker. "But our primary interest is maintaining the tradition of the American chili parlor."

—**Restaurants USA** *interview*

Water for a price

Now Los Angelenos who give up alcoholic beverages can still go out to a tasting bar. But what they will be comparing will be waters—not wines, beers or scotches.

The bar, in the new Ixiz clothing store on Rodeo Drive in Beverly Hills, serves at least 51 different brands of bottled water from at least 18 different countries—at $1 to $2 a shot.

This water isn't plunked down in a mere tumbler, however; it is served lightly chilled with black plastic straws in elegant glasses. No ice comes with the order. "We want people to experience the subtleties in content and flavor, and ice suspends the flavor," explains Ixiz President Steve Mills.

According to the bar's bartender, water is as different as the ground it comes from, and the mix of minerals in the water is said to make all the difference in flavor. Most of the water is procured from ethnic grocery stores.

—*The Wall Street Journal*

Students test lunch menus

In the Fairfax County school system in Virginia, children get a vote in selecting their cafeteria fare. And their votes count because Fairfax cafeteria managers' salaries are now based on how many meals they sell.

In a recent tasting, two dozen seventh and eighth graders were asked to rate five proposed additions to next year's lunch menus at Thoreau Intermediate School in Vienna, VA. Two of the five items got rave reviews—gyros on pita and apple cobbler. One—fish nuggets—got a passing grade, and it will substitute for the current fish offering. Two items were booted out: silver-dollar-sized steak crisps—beef's answer to the chicken nugget—and a steak submarine sandwich with spaghetti sauce.

—*The Washington Post*

A forum for the arts

At the 72 Market Street restaurant in Venice, CA, customers are indulging in more than fine food and drink. They are spending intimate Saturday afternoons in conversation with a diverse group of artists, scientists and musicians.

The dialogues, known as the Market Street Series, are taking place from November to late July. Over wine and hors d'oeuvres, 100 customers rub elbows with the afternoon's featured guest. Some of the notable artists include blues musician John Hammond, author Raymond Carver and choreographer Melissa Fenley.

—*Market Street Series*

Getting the word to business travelers

Restaurants in large cities have long advertised on buses and subways and even on airplanes. Las Plumas, a Chicago restaurant specializing in Mexican/American mesquite-grilled dishes, has taken this idea one step further. The restaurant's owners have inserted advertisements on the back of thousands of the city's Yellow and Checker Cab receipts.

The owners realized that businesspeople from Chicago and out of town often need a place to go for business lunches and dinners. They also knew that these people often ride taxis and ask for receipts. So, the owners of Las Plumas decided to give hungry cab riders a tip.

Restaurants USA

TASTE THE BEST

The Monterey Wine Festival is the perfect opportunity for you, the restaurant operator, to greatly enhance your knowledge and appreciation of wine and your ability to market it. Because of its scope and design, the Festival can be a profitable experience for you, whether you're already an expert or just getting interested.

You'll have the opportunity to taste 800 different wines, attend a series of educational seminars, dine in the top restaurants and hotels on the Monterey Peninsula, and meet, talk with, and learn from, some of the world's most knowledgeable people on wine.

A big difference between this event and other tastings is that each of the wineries participating in the Festival will have either the owner, president or winemaker present to meet you and answer your questions. A tremendous plus for the restaurant operator ready to do business.

The hotels, inns and lodges on the beautiful Monterey Peninsula are among the finest in the country. Special rates are available for the Festival.

The unbeatable combination of good wine, good food, good friends, coupled with a true educational experience, and set in one of the world's most charming locations are what make the Monterey Wine Festival something you can't afford to miss.

Complete the registration form stapled in this issue of *Restaurants USA* and mail it today to insure your place at Vintage '87.

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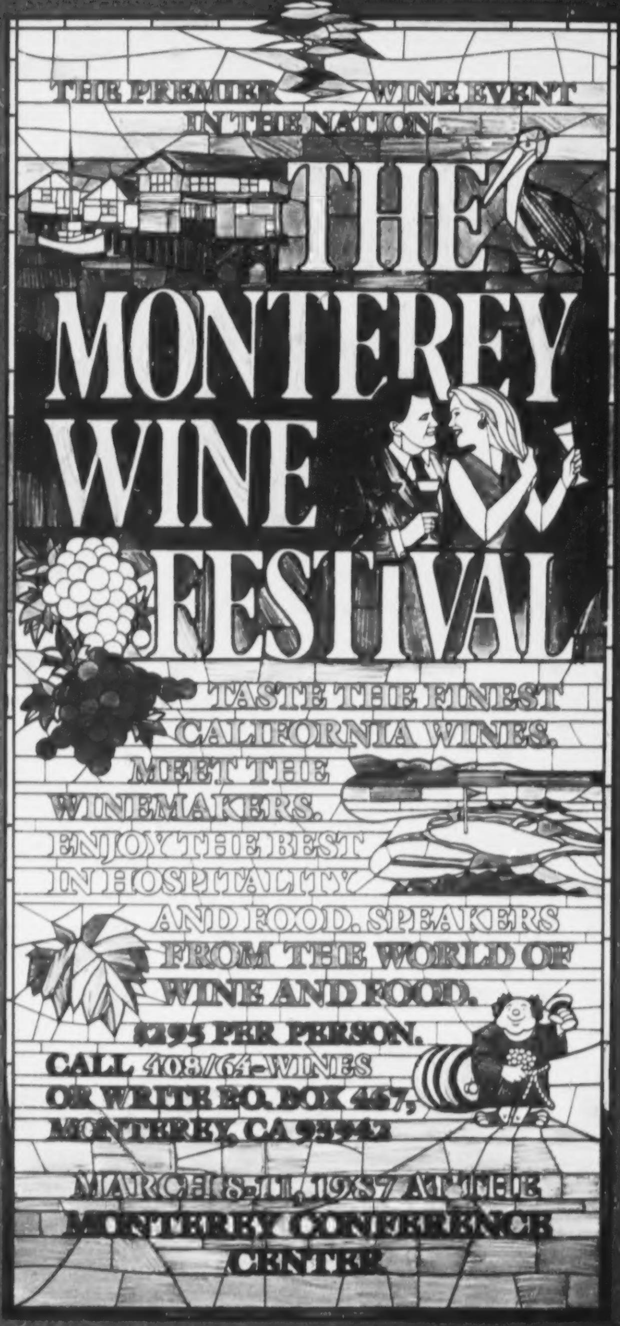
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THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION

VOL. 7 ☐ NO. 2 ☐ FEBRUARY 1987

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ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

2/18	Rosemont, IL
2/19	Minneapolis, MN
3/19	Boston, MA
4/15	Pittsburgh, PA
4/28	Montgomery, AL

Increasing Sales: Effective Front-of-the-House Management*

3/31	Portsmouth, NH
4/2	Newark, NJ
4/26	Boston, MA

**Formerly Dining Room Management: Sales and Service*

Kitchen Management

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3/9	Shreveport, LA
4/9	Savannah, GA
4/15	Knoxville, TN

People-Power and Profits

3/10	Tucson, AZ
4/9	Richmond, VA

Tools for Training

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3/19	Los Angeles, CA
3/20	Burlingame, CA
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4/14	Rockville, MD

Food Production Courses

Perfecting Your Culinary Skills

3/24	St. Paul, MN
4/14	Louisville, KY

Simplified Baking Workshop

3/24	Atlantic City, NJ
4/2	Des Moines, IA
4/21	Oklahoma City, OK

Soups and Sauces

2/16	Denver, CO
3/1	Washington, DC
3/3	Rochester, NY
4/7	Schiller Park, IL
4/8	Cleveland, OH

Foodservice Management Courses

Banquet Management

2/23	Newark, NJ
4/7	Long Island, NY
4/22	Cincinnati, OH

Beverage Management

3/30–31	King of Prussia, PA
4/22–23	Bloomington, MN

Coping with the Personal Demands of Foodservice Management*

3/25	San Antonio, TX
3/26	Dallas, TX
4/8	Detroit, MI
4/9	Milwaukee, WI

**Formerly Stress and Foodservice*

Employee Motivation

3/9	Portland, OR

Food Cost Management

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3/24	Pittsburgh, PA
4/21	Indianapolis, IN
4/28	Raleigh, NC

Foodservice Operators' Legal Workshop

2/23	Concord, NH
2/25	Cincinnati, OH
3/4	Seattle, WA
4/1	Newport, RI
4/22	Omaha, NE

Menus That Sell!

3/10	Troy, MI
3/24	Calgary, Alberta, Canada
3/25	Edmonton, Alberta, Canada
4/27	Ft. Collins, CO
4/29	Burlingame, CA

Negotiating for, and Financing, Foodservice Facilities

3/19–20	Springfield, VA

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3/2–3	Indianapolis, IN
3/19–20	Denver, CO
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4/27–28	Rochester, NY

Planning and Implementing Restaurant Marketing Strategy

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4/21–22	Hartford, CT

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2/17	Lexington, KY
3/2	Colorado Springs, CO
3/23	Tampa, FL
4/6	Baltimore, MD

Profitability

3/24	Madison, WI

Real Estate and Restaurant Site Selection

2/17–18	Scottsdale, AZ
4/21–22	Hilton Head, SC

Restaurant Design and Facilities Planning

3/2–3	Las Vegas, NV
3/25–26	Chicago, IL
4/13–14	Dallas, TX

S.A.F.E.

3/11	Cleveland, OH

Wine and the Bottom Line

2/25	Stamford, CT
4/7	Portland, ME

NATIONAL CONFERENCES

National Conference on Computers in Foodservice

3/8–11	Dallas, TX

Conference on Planning and Financing Restaurant Growth

4/5–8	Los Angeles, CA

For more information, contact
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If your company is interested in in-house programs, call or write to the attention of Ed O'Hare.

STUDY GROUP MEETINGS

Financial Officers

4/1–3	San Diego, CA

Tax Executives

4/1–3	San Diego, CA

MIS (formerly EDP)

4/7–12	Orlando, FL

Internal Audit

4/21–24	Orlando, FL

Quality Assurance

4/22–24	Denver, CO

MAECO

5/13–15	Chicago, IL

Marketing Executives

5/13–16	Chicago, IL

Foodservice Purchasing Managers

5/14–15	Chicago, IL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

Published by the National Restaurant Association

RESTAURANTS USA
VOL. 7 NO. 2 **FEBRUARY 1987**

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Restaurants USA (ISSN 0465-7004) is published monthly, except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. $25 of membership dues includes a one-year subscription to ***Restaurants USA.*** The non-member subscription fee is $125 per year. Second class postage paid at Washington, DC 20001 and additional mailing offices.

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PRESIDENT'S REPORT

G. "Jim" Hasslocher, President
Frontier Enterprises, San Antonio, TX

The National Restaurant Association's Restaurant, Hotel-Motel Show is still a full three months away, but preparations for the 68th annual "Show of Shows" are going full steam ahead. Judging from the way exhibits, activities and events are shaping up, this year's convention promises to be the best ever.

Show introduces new events

In addition to traditional, time-honored highlights—the Culinary Arts Salon, the "Main Course" 10-kilometer foot race, the First Ladies Luncheon—this year's Show marks the inauguration of a new and exciting event: the American Culinary Classic, an international culinary competition featuring celebrated chefs from around the world in a four-day, hot and cold food competition. This competition, the first of its kind ever held in the United States, promises to be every bit as exciting as the International Culinary Competition—"culinary olympics"—held in Frankfurt, Germany.

This year's Show also marks the expansion of the National Restaurant Association Wine Classic to include international wines. One varietal from each of the great wine-producing countries of France, Germany, Italy and Portugal will be featured, and, as always, Show attendees will have an opportunity to sample wines alongside the blue-ribbon panel of contest judges.

Without question, a combination of traditional favorites and new attractions will make the association's convention a spectacular place to be this year. But the primary attraction—the reason why 38 percent of Show-goers are regular attendees and over 100,000 attendees are expected this year—is the Show floor with its acres and acres of exhibit space. Speaking from my perspective as a business owner and operator, I depend on the association's convention to provide me with the latest in products, goods and services. I know that if it is a new menu item I need, a new design concept, a new software package or a new line of equipment, I will find it at the Show.

It's not too early to set aside the dates—May 17–20—and plan to be in Chicago.

Directors meet new Congress

On the Washington front, your association's board of directors didn't even wait until the 100th Congress was sworn in to begin promoting industry issues on Capitol Hill. The day before the swearing-in ceremony, association directors met with key lawmakers in the House Ways and Means, Budget and Labor Committees as well as the Senate Labor Committee to outline the association's position on proposed legislation. Chief among the topics discussed was President Reagan's proposal, included in his 1988 budget, requiring restaurateurs to pay Social Security taxes (FICA) on all employee tip income. Currently, FICA taxes are limited to cash wages and to the portion of tips considered to be wages under the minimum-wage law.

Association directors pointed out that the proposed change is unjust because it imposes a payroll tax on nonpayroll income. Furthermore, Congress rejected the same proposal in the past; no rationale exists for reversing this judgment in 1987.

Lawmakers also heard association views on pending labor legislation, including mandated health benefits, parental and disability leave, catastrophic health care and job training for dislocated workers. Association directors pointed out that such legislation is nothing more than an unfair attempt by government to shift funding of its social programs to employers.

As a participant in these Capitol Hill meetings, I can assure you that our views—*your* views—were heard and clearly understood by the lawmakers with whom we met. But I also know that meetings are not enough. I urge you to write to your representatives in Congress. Let them know your opposition to these proposals.

Association publishes guides on critical issues

The latest in the association's series of *Current Issues Reports* will be published this month. This new report, entitled *A Restaurateur's Guide to the Insurance Crisis,* provides a comprehensive look at the commercial liability insurance situation and at ways restaurateurs can cope with it. It is the rare operator in business today who has not been affected by the insurance problem. This report will prove an invaluable tool in minimizing that effect while maximizing your financial security.

The Foodservice Operator's Crisis Management Manual will also be published this month. This manual will help you prepare for potential crises, such as foodborne illness outbreaks, product recall, customer injuries or employee strikes. And, equally as important, it will prepare you for the media coverage and possible litigation that may accompany such disasters.

A Restaurateur's Guide to the Insurance Crisis and *The Crisis Management Manual* will be mailed to key association members. Additional copies may be obtained by contacting our Washington office.

Conference on expansion offered

If you are planning for growth or expansion of your business, or even if you are just getting into the industry, you won't want to miss the National Restaurant Association/Laventhol & Horwath Conference on Planning and Financing Restaurant Growth, to be held in Los Angeles, CA, April 5–7. Laventhol & Horwath, a leading accounting and consulting firm to the hospitality industry, has joined with your association to sponsor this conference. This is the first time that leading industry representatives and financial experts will come together specifically to address the benefits and pitfalls inherent in restaurant growth.

Members mail in menus

Finally, the deadline for submitting an entry into this year's Great Menu Contest—February 28—is fast approaching. Menus from all over the world are arriving in our Washington offices. Yours could be the menu that takes the grand prize this year—but only if you submit it.

During January, 158 foodservice operators and allied suppliers joined us as members of the National Restaurant Association. Welcome. Your participation in the association will make your business grow and will make the association more effective in its endeavors on your behalf.

Sincerely,

G. Jim Hasslocher

G. "Jim" Hasslocher
President and Chairman of the Board

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As the available labor market shrinks, restaurateurs are finding themselves vying for the same qualified employees. To attract and maintain a top-notch staff, many operators have found it necessary to move beyond straight wages to benefit plans and incentive programs. This article brings together a comprehensive "menu of programs" that foodservice operators across the country are using in today's marketplace.

13 Customizing benefits
Because there are no standard formulas for successful employee benefit programs, operators are customizing benefit plans to best fit their operational and employee needs.

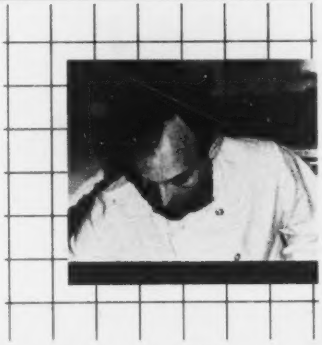
16 Profit-sharing
Profit-sharing plans can be valuable motivators—increasing employee productivity and loyalty while decreasing turnover and absenteeism.

20 Legal issues
Benefit plans are regulated, to some extent, by federal law. Here are some of the legal aspects to consider when instituting an employee benefit plan.

21 Servers speak out
What kinds of benefits are most important to servers? Long-term employees cite intangible feelings, such as "respect" or "belonging" as their reasons for staying.

Related department: *How's Business?*

SPECIALS



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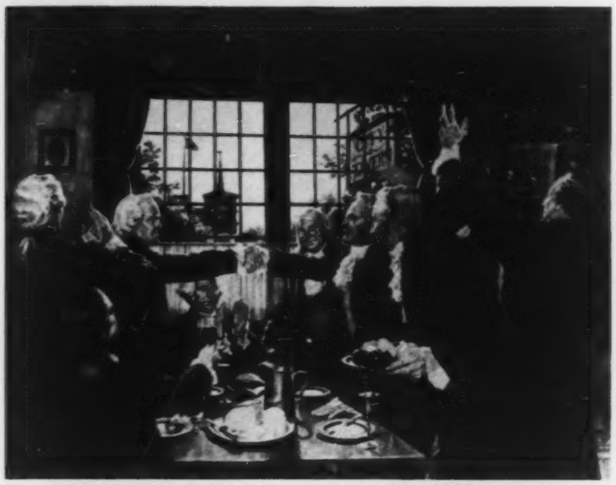
WATER

Cover photograph by Mark Borchelt

AH&MA introduces Bicentennial program

The American Hotel & Motel Association (AH&MA) has introduced its 1987 campaign, the "Summer of Great American Hospitality." The program, one of the first private sector programs introduced in support of the Bicentennial and officially recognized by the congressionally appointed Commission on the Bicentennial of the U.S. Constitution, is a hospitality industry educational program designed to create public awareness about the significance of the writing of the U.S. Constitution and the role the hospitality industry plays in facilitating such great happenings.



To commemorate the announcement of its 1987 summer program, AH&MA presented former Chief Justice Warren E. Burger, chairman of the Commission on the Bicentennial of the U.S. Constitution, a specially commissioned painting depicting the authors of the Constitution. The painting will serve as the signature artwork for an official poster of the Bicentennial commission and focal point for AH&MA's "Summer of Great American Hospitality." The program has been designed to coincide with the actual dates of the constitutional convention 200 years ago, May 25–September 17.

The program's theme, "When People Get Together, Great Things Happen," will be supported by print, radio and TV public-service advertising as well as a private-sector promotional campaign that will involve many of the nation's 45,000 hotels and motels and thousands of participating restaurants and other travel-related businesses.

AH&MA is developing a resource kit that will include logo sheets, artwork, historical anecdotes and methods to tie in American history with summer promotions. The kit will be mailed to all AH&MA members in late February, and it will be available to others for a nominal fee.

AH&MA is also producing an educational brochure that will feature significant facts about the constitutional convention as well as a profile of the hospitality industry, including career opportunity information, facts and figures. Participating companies will distribute the brochure (which provides a blank panel for a company logo and message) to their guests and customers throughout the summer, beginning with National Tourism Week, May 17–23, 1987.

For more information, contact Steven E. Trombetto, AH&MA, 888 Seventh Ave., New York, NY 10106; (212) 265-4506.

Sommelier exam program to make American debut in Monterey

The British Court of Master Sommeliers, in cooperation with the National Restaurant Association, will administer a U.S.-based advanced sommelier course and Master Sommelier diploma examination during the Monterey Wine Festival in Monterey, CA.

Twenty candidates, chosen on the basis of their resumes, will participate March 6–10, 1987, in Monterey. Beginning March 8, the National Restaurant Association will be sponsoring the four-day Monterey Wine Festival.

The idea of bringing this prestigious program to America was initiated and organized by Monterey's Fred Dame, a Master Sommelier and cellar master at The Sardine Factory restaurant in Monterey, CA, and Ted Balestreri, co-owner of The Sardine Factory and immediate past president of the National Restaurant Association.

The course, renamed the National Restaurant Association Court of Master Sommeliers Advanced Certificate, will consist of four days of instruction and examination. Some of the finest winemakers, viticulturists and wine educators in California comprise the list of instructors. Those candidates who pass will move on to the masters exams.

The Master Sommelier exams, traditionally held in England, feature three oral tests administered by panels of five to 10 certified masters. In the first test, a candidate is asked questions concerning the practical service of wines, sherries, cognacs, ports and cigars. The second test covers theory in the viticultural regions of the world. In the third exam, a candidate is asked to identify, by vintage, origin, variety and shipper, a selection of wines served blind.

By any standard, the Master Sommelier examinations are challenging, symbolized by the fact that there are only 45 Master Sommeliers in the world. In England, only 10 candidates are accepted for testing annually, and only one or two will pass.

"This program makes the job of sommelier/wine steward a profession," says Dame. "In a profession, you need education, an examination, a diploma and a spirit of competition. And this is the Mount Everest of the sommelier profession—a chance to prove yourself against the best in the world."

The 1987 Monterey Wine Festival will feature more than 175 California wineries, daily luncheons highlighted by prestigious speakers from the world of wine, three evening wine tastings and the second-annual oversized-bottle auction benefiting the Andre Tchelistcheff Scholarship Fund to further the study of enology and viticulture.

For more information, contact Tom Corcoran, festival director at the National Restaurant Association's Chicago office, (312) 853-2525.

President's budget plan includes FICA tax increase

Early last month, President Reagan submitted his $1.024 trillion budget plan for FY 1988, which begins Oct. 1, 1987; as required by the Gramm-Rudman deficit reduction law, the President held the proposed deficit to $108 billion. Now, the ball is in Congress's court to come up with and pass its own plan.

The administration's budget achieves some $41 billion in savings in order to meet the Gramm-Rudman constraints. Fifty-three percent of this amount may be accounted for by new revenues, chiefly coming from new user fees for government services, sales of certain government assets and stepped-up IRS tax collection.

Among the budget proposals of interest to the foodservice industry are:

☐ **Employer FICA payments on all tips.** The President's budget plan contains a proposal requiring restaurateurs to pay Social Security taxes on ALL employee tip income. Currently, an employer's FICA contributions are limited to cash wages and to the amount of tip credit taken. The administration estimates that this change in FICA payments would generate $200 million in new revenues.

The association opposes this plan, which would make employers liable for payroll taxes on money servers receive from a third party. "The real incentive behind this proposal is the desire to increase revenues," says National Restaurant Association President G. "Jim" Hasslocher. "There can be no claim of equity made for this proposal."

☐ **Job training.** The issue of American competitiveness receives special attention in the President's budget, which allocates nearly $1 billion for a new federal job-training program aimed at getting "dislocated" workers—including those affected by company closings and long-term collectors of unemployment insurance—back into the economic mainstream as quickly as possible.

The administration's budget also replaces the Job Training Partnership Act's summer youth employment program (instituted in 1983) with an $800 million year-round program targeted at youths whose families are welfare recipients. The proposed program would fund job or literacy training as well as subsidize employment.

☐ **Immigration law enforcement.** President Reagan's budget boosts funding for the Immigration and Naturalization Service (INS) to accommodate the effects of the new immigration law. Among the anticipated personnel increases at INS are approximately 900 new investigators to administer the employer sanctions provisions of the new law.

☐ **Meat and poultry inspection fees.** The President's budget suggests that a user fee be imposed on manufacturers of meat and poultry products. Federal law requires that their products pass federal inspection. The inspection service is currently provided free of charge. The administration estimated that "full implementation of these charges, if completely passed on to the consumer, would result in an average price increase of less than 0.3 cents per pound of federally inspected product."

☐ **Small Business Administration (SBA).** After several years of trying to eliminate the SBA and transfer some of the agency's functions to the Commerce Department, the administration appears to have given up its efforts. As well as allocating money for the SBA's continued existence in his 1988 budget, the President also recently announced that he intends to nominate former Sen. James Abdnor (R-SD) to fill the long-vacant spot of SBA administrator.

Democrats take control of new Congress

The 100th Congress convened last month amid much speculation on what the next two years hold in store for employees, employers and taxpayers in general. The Democratic takeover of the Senate, the budget deficit and the drive to increase U.S. "competitiveness" are all factors that will affect Congress's activities.

Under Democratic leadership

Labor issues are likely to receive more attention this year, in large part because Sen. Edward Kennedy (D-MA) has taken the reins of the Senate Labor and Human Resources Committee. Already, bills have been introduced to raise the minimum wage, mandate certain parental and disability-leave benefits and require that workers be given advance notice of a company's closing.

Legislation to ban polygraph testing, one of organized labor's priorities, is also expected to come up early in the 100th Congress. The bill is likely to meet with a more receptive Senate audience than it did last year, when the controversial legislation was passed by the House but never made it to the Senate floor for debate.

The Democratic takeover of the Senate sweeps in other new committee heads, but most are not expected to differ markedly from their Republican predecessors. There are a few exceptions: The new Agriculture Committee chairman, Sen. Patrick Leahy (D-VT), is committed to the dairy price-support program. Sen. Ernest F. Hollings (D-SC), a vocal opponent of product liability reform, will chair the Senate Commerce Committee, which has jurisdiction over that issue.

Cost-conscious Congress

The federal debt will overshadow all congressional decisions, making revenue-raisers and programs whose costs can be picked up by the private sector more attractive to legislators.

Health-care proposals, for example, will receive close attention in 1987. The problems of catastrophic health care and how to provide insurance for the estimated 35 million Americans who need it may result in financing proposals that significantly affect the private sector.

Tax reform, which captured so much attention in the 99th Congress, is likely to slip into the background this year. Insiders anticipate that the new law will be given about one year to "settle" before any changes—other than purely technical—are made to the tax code.

—Jay Morris
—Denise Roach

Biff Naylor discusses the association's PAC

The National Restaurant Association's Political Action Committee (PAC) receives voluntary personal contributions from association members and, in turn, contributes to the campaigns of U.S. Senate and House candidates sympathetic to the interests of the restaurant industry. Recently, PAC Chairman W.W. "Biff" Naylor, president of Naylor Management, Inc., Los Angeles, CA, talked with ***Restaurants USA*** *about the PAC and the association's efforts to get more restaurateurs involved in the political process.*

Restaurants USA: **How did the PAC fare in this last election?**

Naylor: Last year was an excellent year. We raised more money than ever before for candidates who support the industry and the free-enterprise system. Politically, I think we were able to place foodservice in a very positive position. We made contributions to 123 candidates, and we boosted our average contribution per candidate to $1,854. We raised about $250,000 in the 1985-86 election cycle—a substantial increase over the $100,000 we were able to raise in the 1983-84 election cycle.

Q: Have you set a fundraising goal for the 1988 elections?

A: Yes, we hope to raise $400,000 in the next two years. By expanding our advisory committee and placing a continuing emphasis on local fundraising events—which proved so successful last time—we can reach that goal. The key, of course, is to get more restaurateurs involved at the state and local level.

Q: Since involvement is such a key, what do you say to the restaurateur who asks, "Why should I bother to give to the PAC?"

A: I tell them that a contribution to the PAC is an investment in good government and the free-enterprise system. They can have the best restaurant in the world, but if they can't operate that restaurant freely, it doesn't make any difference. If they want to create an environment in which their business can grow and prosper, their voice has to be heard in Washington.

I'm not discounting the importance of individual contributions to a campaign, but often a contribution to a PAC makes more sense because we pool the resources of many restaurateurs. How many people have the resources to contribute to 100 or more candidates in one year? How many can study all the candidates to determine which ones favor the industry position on issues? The association staff in Washington follows every race in the country. They know where the candidates stand on the issues, and they know which ones need the most help. That makes a contribution to the PAC very cost-effective—every penny goes where it does the industry the most good.

Q: Do you find any correlation between giving to the PAC and personal political involvement?

ISN'T IT
TIME
CONGRESS
SERVED
YOU,
TOO?

A: Very much so. I definitely think the PAC movement has led to greater citizen involvement in politics. We certainly have tried to foster it with our Political Education Committee (PEC) and Key Contact program. Many restaurateurs are already involved in politics at the local level—serving on city councils or school boards or in elected offices at the state level. We need to make a concerted effort to find and cultivate these operators and help them along. We want to support them as they seek higher office at the federal level.

Last year, restaurateur Dale Bell ran for Congress in South Dakota. He had a tough race and unfortunately lost, but I'm proud that we were able to help him and that other hospitality and foodservice PACs joined us in supporting him.

Q: Is there a lot of that kind of cooperation among the various PACs—concentrating resources to make a difference in a tight race?

A: Very much so. One of the most gratifying things I've seen in the last few years has been industry leaders uniting to protect each other's interests. There's been a real effort on everyone's part to take all industry issues seriously, even if they may affect only one segment of foodservice.

Q: PACs also help establish an industry presence in Washington. How effective do you think the association's PAC has been in this regard?

A: I think today's candidates are more aware of business issues than in the past, but we still have our work cut out for us. In many ways, foodservice remains misunderstood. We're a large, complex industry that employs millions of people, yet so many in Congress still think of us in terms of that little mom and pop restaurant back in their district. We definitely have some educating to do, and I believe our PAC activities are part of the key to changing these attitudes.

Q: What do you say to critics of the PAC system who argue that PACs are a negative influence on Congress and the election process?

A: PAC contributions make it possible for well-qualified people to run for office and to stay in office—people that might not otherwise be able to afford to run. It takes a tremendous amount of money to launch a campaign for Congress. The average incumbent in the House now spends $1 million or more; challengers spend about 60 percent of that. PAC dollars provide candidates with the necessary means to get elected.

I've never heard of a candidate changing a vote on a piece of legislation because a PAC gave him money. Money does not buy votes; it supports a certain point of view, a philosophy of government. Contributions aren't given to candidates in hopes of changing their minds; they are given to candidates whose minds have already been made up.

Editor's note: *For more information about the PAC or other association political programs, contact Tom Kelley in the association's government affairs department, (800) 424-5156 or (202) 638-6100.*

Board tests legislative, regulatory outlook

In the Rayburn House Office Building last month, several members of the executive committee met with congressional decision makers, a Department of Labor (DOL) legislative officer and a key Capitol Hill aide to test the legislative and regulatory outlook for 1987.

Participating in the symposium were Sen. Dan Quayle (R-IN), Senate Budget, Labor and Human Resources and Armed Services committees; Rep. Gus Hawkins (D-CA), chairman, House Education and Labor Committee; Rep. Ed. Jenkins (D-GA), House Budget and House Ways and Means committees; E. Ripley Forbes, special assistant, Energy and Commerce Subcommittee on Health and the Environment; and Ingrid Voorhees, DOL legislative officer.

National Restaurant Association Board members in attendance were Chairman of the Board and President G. "Jim" Hasslocher (Frontier Enterprises, San Antonio, TX); Ted Balestreri (Sardine Factory, Inc., Monterey, CA); Mike Hurst (15th Street Fisheries, Ft. Lauderdale, FL); Richard E. Marriott (Marriott Corp., Washington, DC); Jim Peterson (Whataburger, Inc., Corpus Christi, TX); W.W. "Biff" Naylor (Naylor Brothers Restaurants, Inc., Los Angeles, CA); Bud Rusitzky (Serv-Rite Food Service and Consulting Corp., Pittsford, NY) and Robert E. Wood (Bob Evans Farms, Inc., Columbus, OH).

Sen. Dan Quayle (R-IN), left, discusses upcoming legislative issues with association President G. "Jim" Hasslocher, center, and Treasurer Jim Peterson, right.

Remarks made during the meeting

Sen. Dan Quayle (R-IN), member of the Senate Budget and Labor and Human Resources and Armed Services committees, expects

☐ government to look to those with the deepest pockets (i.e., employers) in the area of mandatory benefits

☐ the private sector to become the catchall for the 100th Congress, which will favor programs that do not cost money

☐ that the House and Senate Labor committees might have the votes to pass legislation on minimum wage, minimum health-benefits package, parental leave, catastrophic health care, occupational risk notification and plant closings.

Rep. Gus Hawkins (D-CA), chairman of the House Education and Labor Committee, forecasts major worker dislocation, parental/medical leave, polygraph testing, civil rights and minimum wage to be big issues for the 100th Congress.

Rep. Ed Jenkins (D-GA), member of the House Budget and House Ways and Means committees, expects that

☐ there will be no real action on tax reform since the corrections bill to the Tax Reform Act of 1986 is expected to be technical in nature with no substantive changes to the passed bill

☐ the government's need to raise money could affect payroll taxes with the institution of some selective measures, such as FICA on all reported tips

☐ further reduction of the business meal deduction is not likely in 1987

☐ excise tax legislation could gain easy passage if taken up on the floor

☐ budgetary items, such as military spending and Social Security, will draw considerable attention since spending on defense, Social Security and debt interest accounts for $700 billion of the United States' $1 trillion yearly budget.

E. Ripley Forbes indicated that

☐ the Energy and Commerce Subcommittee on Health and the Environment, which has jurisdiction over foods and food safety, would not push for ingredient labeling in restaurants this year since the subcommittee's agenda is already full with major legislative proposals

☐ smoking/non-smoking legislation should not be big items with the subcommittee since some of the subcommittee members consider it a state legislative/regulatory issue and

☐ sulfite labeling for potatoes will not be an issue in Congress since the Food and Drug Administration (FDA) is currently reviewing it.

Ingrid Voorhees, legislative officer with the Department of Labor, predicted that labor issues will be a significant part of the agenda for the 100th Congress. She advised watching for bills requiring mandated benefits in the area of parental/disability leave and health insurance, a minimum benefits package, retiree health-plan coverage, risk pools for non-employees and plant closings.

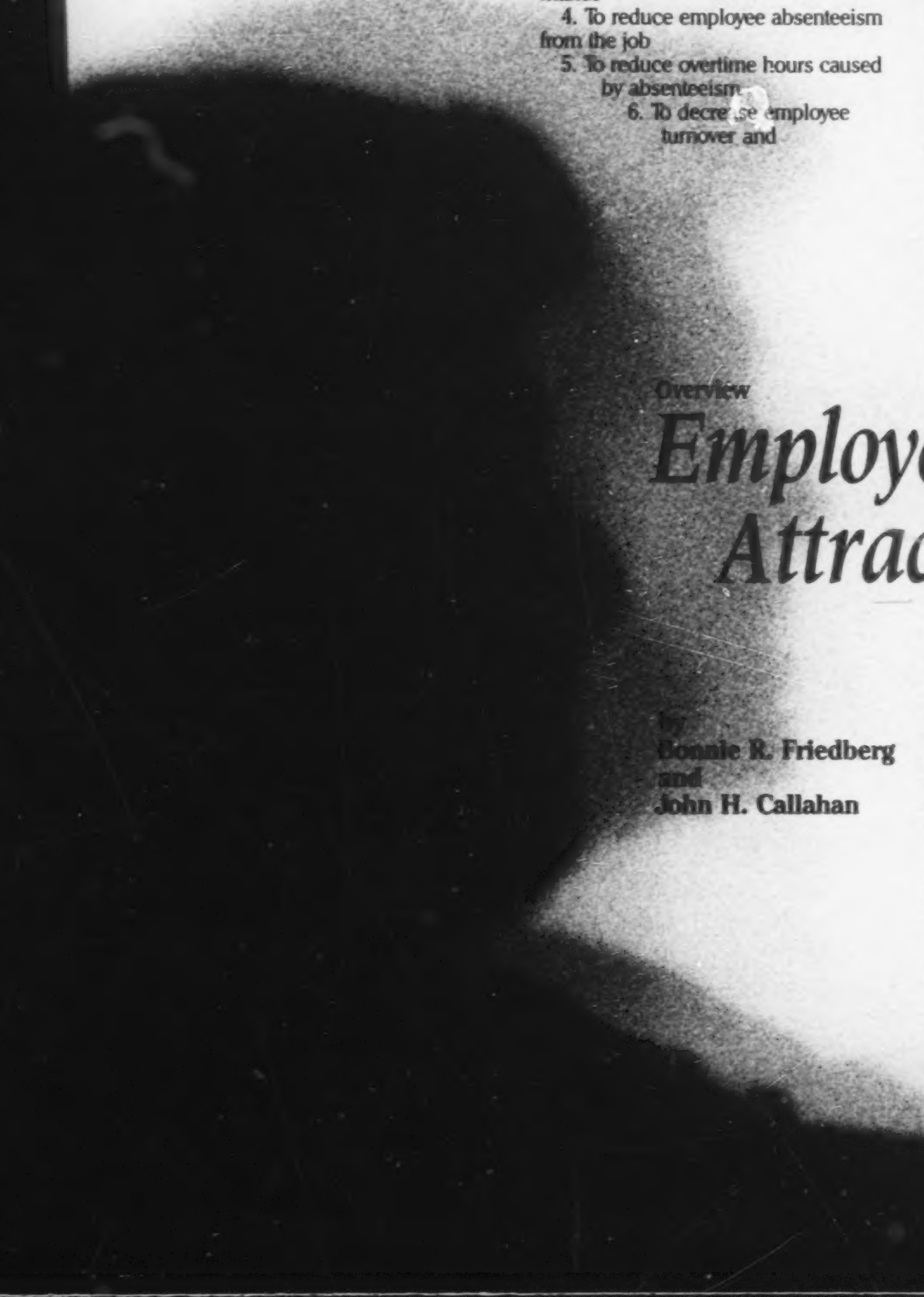
Voorhees cautioned that small employers might be a particular target for mandated benefits and employee dislocation stemming from plant closings because large employers tend to provide good health plans and large industries have already faced legislation in the area of plant closings.

—Dorothy Dee

Overview

Employee Benefits Attract the Best

by
Bonnie R. Friedberg
and
John H. Callahan



The decrease in the available labor pool has created an environment in which employers must be more aggressive and competitive in attracting employees. In many areas of the country, minimum wage is no longer the normal compensation offered to entry-level employees. Employers are now using benefit and incentive programs in addition to competitive wages to hire the most qualified workers. In fact, benefit and incentive programs are now being accepted as a required cost of doing business.

A properly organized and implemented benefit and incentive program has the following objectives:

1. To attract and retain the most talented people for the organization
2. To improve overall employee relations
3. To achieve an increase in employee morale, motivation and performance
4. To reduce employee absenteeism from the job
5. To reduce overtime hours caused by absenteeism
6. To decrease employee turnover and
7. To generate cost savings through less time spent training new staff.

The options available for an effective benefit and incentive program are extensive and can vary from the simple to the complex. When considering a program for your organization, bear in mind that it should meet the needs of your employees. Consider the ages of your employees, their sex, their marital and family status; their general lifestyle; their payroll status (salary or wage) and their length of service. Before you implement a plan, you may wish to ask a few employees to review it for their input. An employer who approaches benefits and incentives with an honest consideration of employee needs will most certainly be rewarded by a loyal and committed staff.

No single program is ideal

No single program is ideal for every employee. A recent concept in benefit programs is called a "cafeteria plan," which is becoming more and more popular in the workplace. Under such a plan, employees are provided with a "menu" of benefit choices from which to choose those benefits most meaningful to their personal situations. They are also informed of how much the employer will spend on these benefits and how much their costs will be. The employer's portion is usually determined as a percentage of total annual wages.

Benefit and incentive plans must also be appropriate for the organization. Some options present administra-

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Bonnie R. Friedberg and John H. Callahan are associated with MDR Associates in Fairfax, VA, a professional hospitality management consulting firm specializing in kitchen design, restaurant development and menu development.

tive challenges (usually in the form of increased paperwork) which small operators may not be able to coordinate. Others are simple to implement and require little time to administer. When considering the time required to administer a program, however, never lose sight of the goal—to hire, motivate and retain those employees most likely to contribute to the efficiency and effectiveness of the organization.

Although this article reviews some of the most common benefit and incentive programs, you should seek out professional guidance from your legal, insurance and accounting advisors before you finalize a benefits package. The list here deliberately excludes government programs, such as Social Security, workers' compensation insurance and unemployment compensation. These are required by statutory regulation.

Most common benefits

★ **Medical/health programs.** Medical and health-related programs are the most common benefit used in the United States. Included in such programs are hospital, surgical, accident, major medical and dental insurance plans. Coverage is usually provided on a group basis because individual coverage is prohibitively expensive. Sometimes, additional health programs are administered by the employer to include contributory payments for those items not covered by the standard plans, such as physical examinations, clinic visits, routine dental services, vision and auditory exams and blood bank usage costs. Health maintenance organizations have become increasingly popular because they attempt to control employer costs and the time required to administer the program.

★ **Insurance programs.** Group life, individual life, accidental death/dismemberment, long and short-term disability and travel-accident policies are commonly awarded benefits for older, management-level employees. Administration of these policies is generally manageable if the frequency of employee turnover is relatively low. When evaluating the attractiveness of insurance benefit programs, be sure to consider the age of your employees and their family status.

★ **Additional pay programs.** Do not overlook overtime, extra shifts and/or holiday, sick and vacation pay for your employees. Typical policies can be modified to suit your situation. For example, instead of allowing employees to accrue separate sick and vacation pay based on their length of service, some employers are now accruing "personal time banks" to avoid the abuse, and the cost, of sick-time allowances. Employees choose whether to use accrued time for either sick days or vacation days. Typically, the result has been a decrease in employee absenteeism. Other employers are designing "well pay" programs, which pay employees a bonus if they stay well for four consecutive weeks. Finally, some employers have implemented shift-incentive pay. Employees who work every scheduled shift hour, as agreed, are paid a premium for those hours. This program is aimed at reducing the management time required to fill unexpected daily vacancies in key positions.

★ **Educational assistance.** For the operator requiring large numbers of young workers, educational assistance is a very attractive benefit. An educational assistance program might in-

Mark Borchelt

clude tuition aid contributions or scholarship awards for those attending or planning to attend college, which can help employees offset the skyrocketing cost of college tuition and expenses.

Education programs can also be aimed at increasing an employee's knowledge of his or her current job or of the overall industry. On-the-job training programs, attendance at local industry seminars and paid subscriptions to industry journals are some common examples of benefits in this area.

★ **Employee counseling.** For the small operation, in-house employee counseling services are often prohibitively expensive. But many operations can provide, at no cost, a referral service which guides employees to appropriate professionals for the advice or help they need. Such programs express the employer's concern for the problems individual employees may encounter away from the workplace—a practice known to build loyalty.

Referrals might include alcohol/drug assistance, personal/emotional counseling, financial/credit management assistance, legal services and preretirement counseling. Your attorney and accountant, for example, may be interested in participating in such a referral program.

★ **Child care.** Private child care facilities are too expensive for all but the largest corporate organizations. However, restaurant owners and managers must recognize the increasing role that working mothers have in the United States today and the need they have for proper child care. In fact, child care benefit programs are predicted to become the benefit of the 1990s, eclipsing health insurance programs as the most sought-after benefit.

The small or independent restaurant operators who want to assist the parents on their staffs can do so in a number of ways. They can implement (1) a referral program of nearby licensed child care centers, (2) contributions to child care costs, (3) flexible hours and/or responsibilities for those workers who must provide transportation for their children to and from day care centers, (4) sick-child days given as personal, unpaid leave time, without affecting seniority or accrual of benefits and (5) maternity and paternity leaves after the birth of the child, again without compromising seniority.

★ **Performance incentives.** The most cost-effective benefit and incentive program is a system of awards or bonuses given for desired performance. Such performance incentives can take the form of profit-sharing, length of service awards, idea/suggestion box awards, productivity awards and safety commendations. All are based on a specific, objectively measured level of performance which conforms to the organization's objectives. Since these objectives are usually concerned with profitability, it is cost-effective to award employees for attaining them. Moreover, no cost is incurred if the objectives are not met.

Because public recognition is known to be a leading employee motivator, performance incentives, with the exception of profit-sharing, should be awarded with maximum public recognition to include other employees, family and friends. Also, give tangible awards. Cash or food awards are quickly used and do not serve as a reminder of the performance level being compensated.

You can include numerous other benefits and incentives in your benefits program. The sidebar for this article provides a listing of additional ideas which can be used to design the most appropriate program for your operation.

In conclusion

Before you begin, establish a budget for benefit/incentive program costs and talk with your employees to identify those benefits that fit both their needs and your budget. Once a program is implemented, remind your employees regularly of the attributes and worth of your program. Introduce upgrades or changes to the program with excitement. Award incentives and gifts in public to improve general awareness of the program. But above all else, use your benefit and incentive program as you would a marketing tool, aimed at attracting the best employees available to your operation. ❑

Benefits and incentives

- Athletic team sponsorship
- Bereavement leave and pay
- Child care
- Christmas party
- Coffee breaks
- Company-sponsored memberships in community service organizations
- Credit union memberships
- Direct deposit of payroll checks
- Discounts to employee family members
- Educational assistance
- Employee counseling or referral
- Excused voting time
- Flexible hours
- Health club corporate memberships
- Holiday turkey or ham
- Idea/suggestion box awards
- Industry membership fees
- Insurance programs, including group life, individual life, accidental death/dismemberment, long and short-term disability and travel-accident policies
- Jury duty leave
- Length of service award
- Loans to employees
- Locker room/shower facilities
- Meal allowances
- Medical/health programs, including hospital, surgical, accident, major medical and dental insurance plans
- Paid holiday leave
- Paid sick leave
- Paid vacations
- Parking cost assistance
- Payroll deductions for insurance program
- Pension plans
- Personal leave, paid or unpaid
- Productivity awards
- Profit-sharing
- Recreational activities
- Relocation expense reimbursement
- Safety commendations
- Summer picnic
- Trade journals and periodicals
- Transportation cost assistance
- Uniform/dry cleaning allowance
- Vending machines
- Well pay programs

Foodservice Operators

Customize Benefits

by Anne Papa

CUSTOMIZING BENEFITS

Executives at Sonesta International Hotels Corporation (Cambridge, MA-based with 11 domestic and foreign properties) are well aware that the hospitality industry is in the midst of a labor shortage. "It's no secret," acknowledges Jacqueline Sonnabend, vice president of human resources at the hotel chain. "Finding and maintaining quality employees are priority concerns throughout the industry."

But Sonnabend speculates that the problem may be less acute at domestic Sonesta hotels than at other companies because all Sonesta employees are provided with a comprehensive, liberal benefits package. "Company executives are determined to keep our hotels in the forefront in terms of employment," explains Sonnabend. "One way this is done is through benefits."

Sonesta's benefits package, covering all employees from dishwashers to servers to managers, includes health and dental insurance, a pension plan, free meals, parking, uniforms, dry cleaning, tuition reimbursement for job-related studies and paid sick and vacation days.

In addition, managers at each unit are required to conduct annual wage and benefits surveys of surrounding businesses in order to remain competitive. "We find out what the competition is doing; then, go one better," says Sonnabend. For instance, a recent survey in Boston found that most area hotels offer three days of sick leave per year. Consequently, Sonesta employees also receive three days of sick leave—plus one day of personal leave.

Sonnabend says the company does not view its benefits package as the perfect panacea to the labor shortage problem. "We don't claim to have the ultimate solution," she acknowledges. "But the fact is, benefits demonstrate to our employees how much we value them. And this value translates into loyalty. Employees are less likely to leave a company which clearly appreciates them."

> **"Only those employees who want coverage receive it. It's up to each employee to decide if it's worth it."**

Customizing a benefits package

By any standard, the benefits package provided at Sonesta Hotels is a comprehensive one. And the inclusion of hourly employees as well as managerial staff in the plan appears to go far in reducing employee turnover where it occurs most—at the hourly level.

But Sonesta's plan is not for every operation. Laments one restaurateur, "If I added every new hire into a benefits program, I'd go broke. Not to mention that, with the paperwork involved, I'd never have time to do anything else." Many operators across the country share this sentiment. Particularly at small or seasonal operations, a certain amount of turnover is inevitable. Therefore, in terms of cost, time and energy, an all-inclusive benefits program for all employees may not be practical.

CAFETERIA PLANS

Max Karl Winkler

Fortunately, there are numerous creative options available to operators who want to provide for their employees, yet do not want to overextend their resources. Here is a look at some ways operators have custom-made their benefit packages to fit their operations:

Employees pay into plan. Times Enterprises, Inc., which operates two Hard Times Cafe chili parlors (90 seats each) in the Washington, DC, area, offers its employees a comprehensive medical and dental insurance plan. In order to participate, however, hourly employees are required to pay a certain dollar amount out of each paycheck into the plan.

"Basically, we're offering our hourly employees insurance coverage at group rates rather than at individual rates," explains Jim Parker, secretary/treasurer of Times Enterprises. "As any-

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Anne Papa is a communications specialist for the National Restaurant Association.

one who pays insurance premiums knows, this represents a substantial savings." And by charging employees rather than financing the plan through company funds, Times Enterprises saves substantially as well. "Only those employees who want coverage receive it," says Parker. "It's up to each employee to decide if it's worth it."

Parker adds that the insurance option is not immediately available to every employee. "We've established a waiting period for new employees based on the normal amount of turnover at each position," he explains. "Otherwise, we would be perpetually adding and subtracting names to the plan." Cooks and chefs are required to wait six months before participating in the plan. Servers, for whom turnover is more frequent, must wait one year. Managers, whose premiums are paid by the company, are provided with insurance coverage after three months of employment.

Cafeteria plans. Many companies are recognizing the value and cost-efficiency of "cafeteria" benefit plans—that is, employees are offered a range of benefit options, but only select those which fit their specific needs.

At Miami, FL-based Burger King, a cafeteria (or "flex") plan was initiated at corporate headquarters and at company-owned units in January. According to Jo Hutcherson, assistant manager of public relations for Burger King, the plan, which applies to salaried employees only, was established for two reasons. "Primarily, we hope to provide employees with coverage they can really use," Hutcherson explains. "But the plan was also established to save money. We're no longer paying for benefits employees don't need."

The Burger King cafeteria plan works as follows: Similar to Times Enterprises' employees, Burger King employees pay a certain dollar amount of each paycheck toward insurance coverage. But with the new plan, that dollar amount may either increase or decrease—depending on the amount of coverage desired.

Hutcherson offers an example of how the plan might prove beneficial. "Let's say a regional manager is contributing a certain amount of his paycheck toward medical and dental insurance," she suggests. "And let's say his wife's company offers a dental plan that covers both employees and spouses. This amounts to double dental coverage for the Burger King employee. The new flex plan, therefore, allows him to opt out of Burger King's dental plan while retaining major medical coverage. The employee saves money, and Burger King saves money."

Additional features of Burger King's plan include a special "flex fund" which consists of employee contributions. According to Hutcherson, money from the fund goes toward extra benefits, such as child care and non-covered medical expenses. The portion of an employee's paycheck allocated to the fund is not taxed. And, like all aspects of the plan, allocation of money into the flex fund is completely voluntary.

Hutcherson cites frequent turnover as a main reason why hourly employees are not included in the flex plan. However, Burger King recently upgraded its benefits package for hourly employees. "Employee feedback indicated that our hourly benefits plan was not the best," admits Hutcherson, "so we brought it up to the standards of our plan for salaried personnel. Hourly employees now have the option of paying into our major medical and dental insurance plan."

401(k) plans. Although the 1987 tax law mandates a new set of restrictions on the 401(k) plan, many companies still consider the federally designed plan to be a valuable employee benefit. Under the 401(k) plan, employees contribute between one and six percent of their paychecks into the plan. Employers may or may not elect to match employee contributions with company funds (such as 50 cents on the dollar); either way, all money contributed into the plan is tax-deferred.

"401(k) plans offer significant, long-term savings," says Sarah Wolski, director of human resources for San Mateo, CA-based Calny, Inc., owner of 143 Taco Bell units and 15 La Petite Boulangerie units on the West Coast. Participation in Calny's 401(k) plan is open to all employees, both managerial and hourly. "It is perceived as a good benefit because it focuses on future security, rather than the 'here and now,'" says Wolski.

She adds that a minimum participation requirement, set by the government, is the main reason that hourly employees are included in the plan. And for the most part, the new tax law which limits individual 401(k) contributions to $7,000 (previously, the cap was $30,000) does not generally affect hourly employees. "Benefits involving future investments are typically offered only to management," notes Wolski. "The 401(k) is a good way to provide hourly employees with a type of benefit they might not otherwise receive."

Meals. Because the savings gained by eating meals at work are immediate and obvious, this benefit is greatly valued by employees. Few businesses are better equipped to provide this basic, yet immensely well-received, benefit.

"If an employee eats five shift meals during a week, that is five meals he or she doesn't have to pay for, prepare and clean up after," reasons Jacqueline Sonnabend of Sonesta Hotels. "Employees appreciate the savings. And free meals are one of the simplest and least expensive benefits a foodservice operator can provide." At Sonesta hotels, special cafeterias are set up for employee meals, with dining room privileges granted to managers for business meals.

At Phillips Seafood Restaurants, which operates seven restaurants in Ocean City, MD, Washington, DC, and Baltimore, MD, employees are also given free meals—regardless of whether or not they are on duty. "A large percentage of our staff is seasonal, working only during the summer months," explains Suzanne Jackson, payroll manager for Phillips. "Generally, they are college students, for whom money is tight. Eating three square meals a day isn't usually a priority for them." So Phillips provides daily meals—breakfast, lunch and dinner—for all employees, regardless of their work schedule. "The service eliminates the hassle of preparing meals, and it saves money," says Jackson.

Lodging. Less common but certainly no less beneficial, particularly for seasonal staff, are companies that find or even provide lodging for employees. At Phillips, a dormitory is set up for summer employees near the company's main restaurant. "Employees pay rent, but it is one of the least expensive summer rates in the area," maintains Suzanne Jackson. Rooms are allocated on a first-hired, first-served basis.

Foodservice employees working in hotel restaurants frequently receive another kind of lodging benefit: complimentary lodging in company hotels in other cities. For instance, employees of Seattle, WA-based Westin Hotels are allocated up to 10 "comp rooms" per year on a space-available basis.

Special events. Although not generally categorized as benefits, special events, such as contests, parties and picnics, demonstrate to employees how much they are valued. The events promote overall well-being, and they provide something extra—above and beyond everyday work responsibilities.

At Domino's Pizza, Inc., headquartered in Ann Arbor, MI, with 3,700 national and international units, special events for employees are both frequent and elaborate. According to Ron Hingst, spokesperson for Domino's, contests in particular have been enthusiastically received among company employees. "Our ultimate goal, when sponsoring events, is motivational," he says. "Contests, involving either overall performance or specific tasks, give employees something to shoot for."

SPECIAL EVENTS

REWARDS & BONUSES

Hingst describes a popular Domino's contest which pits pizza makers against one another to determine who has the fastest hand at making pizza. Appropriately dubbed "Two Tray Time" (each contestant prepares two trays of pizza dough), the contest features local, regional and national competitions. Travel opportunities and an assortment of prizes for contest winners motivate employees to participate in the contest. Another Domino's program promotes a "Driver of the Week," in which pizza deliverers compete against one another for best overall performance as determined by unit managers. Again, the competition is local, regional and national, with the national "Driver of the Week" winning a trip to the Indy 500.

At Phillips Seafood Restaurants, seasonal employees participate in sailboat regattas, clam bakes and waiter/waitress races—all sponsored by the company. "We even have an employee Christmas party—on July 25," says Suzanne Jackson, "complete with a Christmas tree and Santa Claus."

And at Times Enterprises' Hard Times Cafes, the company occasionally treats staff to professional sports events and sponsors outdoor picnics, staff football games and chili cookoffs.

Rewards and bonuses. Rewards and/or bonuses for outstanding work are some of the most-valued employee benefits.

"In some ways, recognition through rewards means more to people than money," says Wendy Petty, public relations director at the Dallas, TX-based El Chico Corporation with 106 El Chico units in 11 states. "Employees expect a paycheck. They do not expect a pat on the back from the CEO or an award ceremony in their honor. El Chico's benefits policy is set up to give employees the unexpected."

At El Chico, employees are not only rewarded for outstanding performance, but they are also recognized for loyalty to the company. Ten, 15 and 20-year veterans of the company are given ruby, emerald and diamond pins, respectively. After that, the rewards are personalized to the employees' tastes. "All longtime employees, from dishwashers to managers, are recognized in this manner," explains Petty. "A gold and diamond watch was recently given to a cook who has been with El Chico for 40 years." Performance awards are equally elaborate. The company awards gifts of cash, trips and even company stock.

Josef Ratzsch, owner of the Fox & Hounds Restaurant in Hubertus, WI, rewards employees at the end of each fiscal year for a job well done. "I give my outstanding employees cash bonuses based on how well we did that year," he explains. "I enjoy handing the bonuses out personally—it gives me an opportunity to say 'thank you.' My employees feel uplifted, and I feel like Santa Claus."

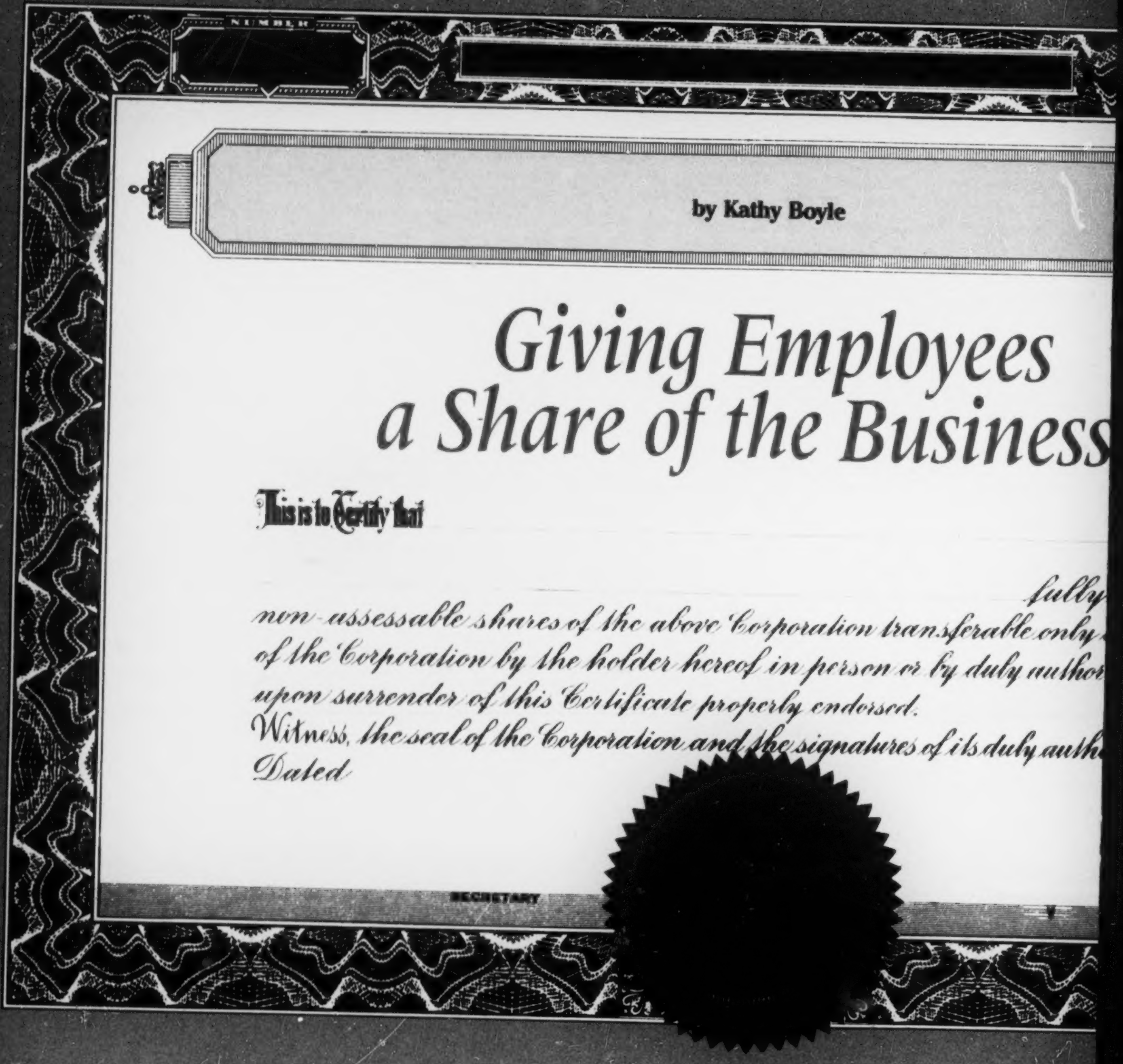
Ratzsch also likes to surprise employees with unexpected benefits. He recalls a particular chef who kept putting off his vacation. "He was simply working too hard," says Ratzsch, "so we finally sent him off to Hawaii for a week." A more typical gift might be an overnight or weekend stay in Milwaukee, with Ratzsch picking up the tab.

In sum

As the labor shortage continues to grow, the value of a benefits program that attracts and maintains qualified personnel cannot be underestimated. The number of benefit options available ensures that any operation, even those with limited resources, can develop a program that benefits both the operator and the employees. ❑

Giving Employees a Share of the Business

by Kathy Boyle



NUMBER

This is to Certify that

fully

non-assessable shares of the above Corporation transferable only

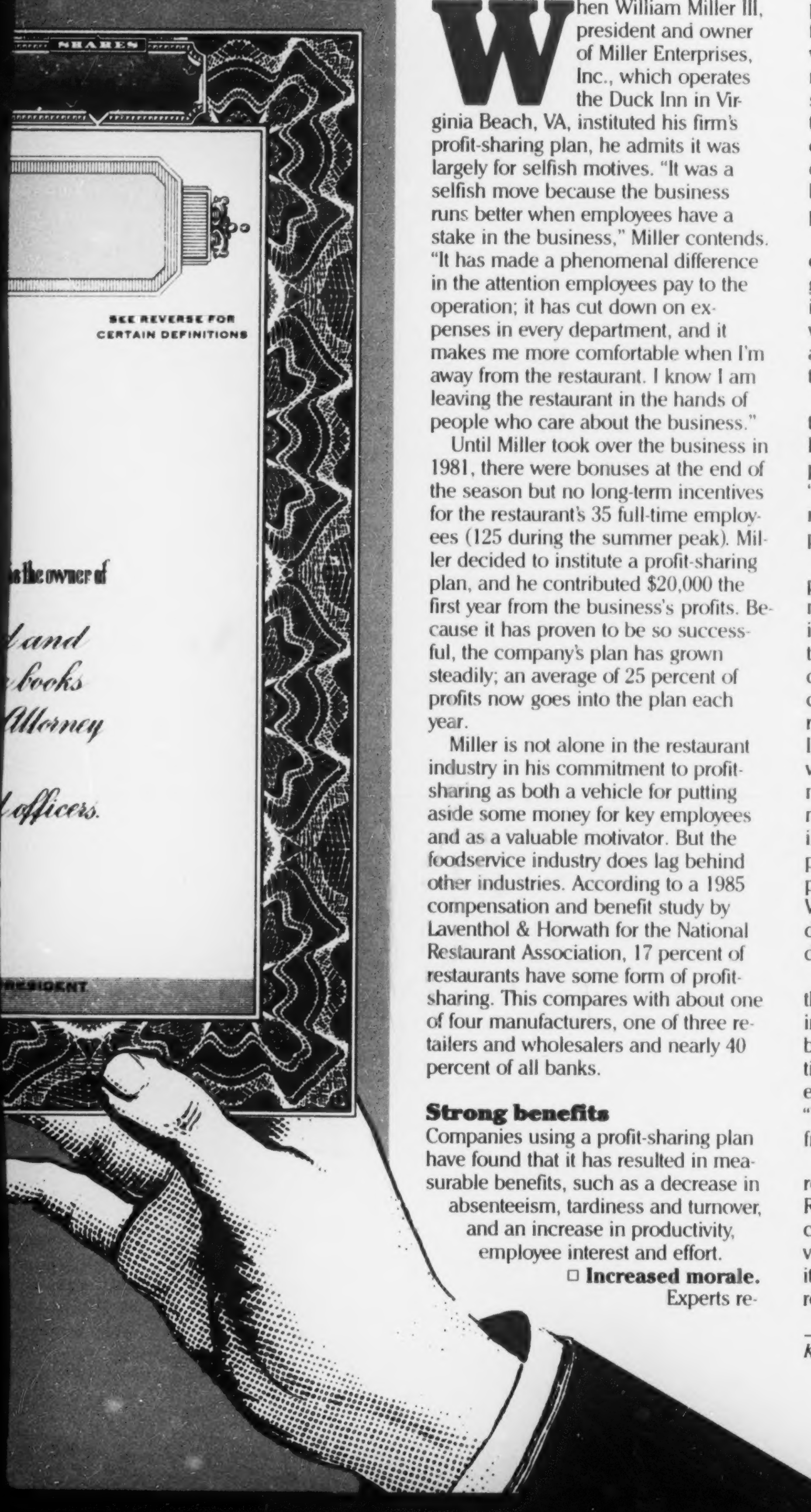
of the Corporation by the holder hereof in person or by duly author

upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the signatures of its duly auth

Dated

SECRETARY



When William Miller III, president and owner of Miller Enterprises, Inc., which operates the Duck Inn in Virginia Beach, VA, instituted his firm's profit-sharing plan, he admits it was largely for selfish motives. "It was a selfish move because the business runs better when employees have a stake in the business," Miller contends. "It has made a phenomenal difference in the attention employees pay to the operation; it has cut down on expenses in every department, and it makes me more comfortable when I'm away from the restaurant. I know I am leaving the restaurant in the hands of people who care about the business."

Until Miller took over the business in 1981, there were bonuses at the end of the season but no long-term incentives for the restaurant's 35 full-time employees (125 during the summer peak). Miller decided to institute a profit-sharing plan, and he contributed $20,000 the first year from the business's profits. Because it has proven to be so successful, the company's plan has grown steadily; an average of 25 percent of profits now goes into the plan each year.

Miller is not alone in the restaurant industry in his commitment to profit-sharing as both a vehicle for putting aside some money for key employees and as a valuable motivator. But the foodservice industry does lag behind other industries. According to a 1985 compensation and benefit study by Laventhol & Horwath for the National Restaurant Association, 17 percent of restaurants have some form of profit-sharing. This compares with about one of four manufacturers, one of three retailers and wholesalers and nearly 40 percent of all banks.

Strong benefits

Companies using a profit-sharing plan have found that it has resulted in measurable benefits, such as a decrease in absenteeism, tardiness and turnover, and an increase in productivity, employee interest and effort.

☐ **Increased morale.** Experts report that profit-sharing increases the feeling that the employee is needed, which often makes companies become more profitable. During tight times, that sense of ownership serves as an incentive for employees to work more efficiently to make the company more competitive since profit-sharing contributions will not be paid when companies are losing money.

Profit-sharing also encourages acceptance of change and new technology and, in fact, any action that might increase profits. It also promotes teamwork among employees, management and stockholders by providing a single target for unified attention.

For Eat/N Park Restaurants, a 45-restaurant chain in western and central Pennsylvania, the profit-sharing plan is part of an overall corporate philosophy. "We definitely feel the plan increases morale," notes David L. Wohleber, vice president of finance.

☐ **More informed employees.** A profit-sharing plan can make both managers and hourly employees more informed about the business and about the way internal changes, such as productivity improvements, and external changes, such as inflation or interest rates, affect a company's performance. In this way, everyone can search for ways to improve company performance. "We meet with our management staff annually to discuss the plan in detail, and we keep our hourly employees advised of any changes in the plan through our company newsletter. We also tell employees how the plan is doing through an annual memorandum of performance," says Wohleber.

Even smaller companies open up the books when they have profit-sharing. "Although we are a small, family business and a closely held corporation, we share all our information with employees," says William Miller. "We have our financial statements freely available."

☐ **A retention tool.** Rob Burns, director of human resources for Peasant Restaurants, Inc., an 11-restaurant chain headquartered in Atlanta, GA, views his company's four-year-old profit-sharing plan as an extremely good retention tool. "The statement employ-

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ees get each year, showing their share of the profits, tends to support the 'career' aspect of their job," explains Burns. He believes employees are motivated to stay with the company because of the plan. "For example, employees see that they have $10,000 accumulated in the plan," says Burns. "Because of the vesting schedule, say $4,000 of this sum is theirs. They see the value of staying on a few years to receive all the money."

□ **A recruiting tool.** Burns maintains that the profit-sharing plan also makes recruiting easier, especially in those cases where he is competing against larger restaurant companies for the same people. "For a stable, successful company, profit-sharing is a real necessity," he concludes.

Three types of plans

Basically, there are three types of profit-sharing plans: deferred, cash or combination. In a deferred plan—used by 80 percent of the Profit Sharing Council of America (PSCA) members—employees place contributions in a trust, which is invested on their behalf. Typically, there are no substantial payouts until termination, retirement, disability or death. The advantage of this plan is that taxes on the profits are deferred until the year in which they are withdrawn.

In a cash plan, the employer's contribution is paid to participants at stated times, usually annually, but occasionally more frequently. This plan is usually referred to as a bonus plan. With this plan, the employee must pay taxes on the income in the year it is received.

In a combination plan, the participant receives a portion of the employer's contribution regularly, as in the cash plan, and the remainder is deferred.

Most restaurant profit-sharing plans are deferred. A typical plan is the one found at Paisan's (250 seats) and Porta Bella (150 seats), both in Madison, WI. The profit-sharing plan covers all employees who work 1,000 hours a year and are at least 21 years old. In this particular plan, employees cannot draw out money until they are on the job three years (the average employee stays 2½ years). According to Edward Shinnick, co-owner of both restaurants, after three years of employment, the employee is eligible for 30 percent of what is in the account (10 percent for each of the first three years). It takes 10 years to be fully vested.

Shinnick explains that the profit-sharing plan "is an added fringe benefit for full-time people," some of whom he has employed for 30 years. The percentage Shinnick contributes varies each year, depending on the profits. Then, the contribution is divided among the employees. A set sum is generally distributed, based on a proportion of each employee's salary. (For example, $100,000 may be divided by giving all employees five percent of their salary.)

Employees match profit dollars

Some companies make profit-sharing a "shared" responsibility, asking employees to match company funds. John Herbkersmann, benefits communication specialist for Marriott Corporation, headquartered in Bethesda, MD, explains that for every dollar employees put toward their profit-sharing plan, Marriott puts in $1.50. Marriott's Profit Sharing, Savings and Retirement Plan is what is commonly known as a 401(k) program (after the IRS regulation number from which it is taken). Like other deferred plans, the monies are put aside until the employee leaves the company. The only difference is a certain limit is imposed on the amounts to be set aside (in Marriott's case, a $7,000-limit per year or 10 percent of salary), and the plan must regularly meet non-discrimination formulas so that all employees benefit equitably.

In Marriott's plan, employees are free to manage their profit-sharing monies as they wish and have a say in how their monies will be invested. According to John Herbkersmann, "There is a safe, low-rate-of-return fund with a fixed, comfortable rate of return, and there are other riskier funds with widely fluctuating returns, some of which have earned up to 45 percent in one year." The plan is offered to all of Marriott's employees who are at least 21 years old and have at least one year of service. It takes 11 people in the administration department to manage the plan, not including the professional money managers. Under Marriott's plan, the employee fully owns the company contributions in 15 years.

Setting up a plan

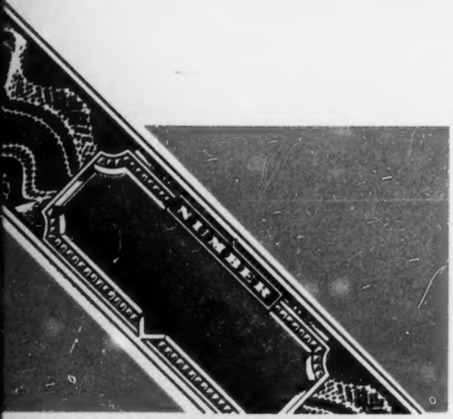
When setting up a program, shop around at several banks, brokerage houses and retirement-planning firms and compare their presentations. These organizations usually invest the plan's money, can guarantee a rate of return and provide annual or quarterly statements for employees.

Of primary concern when setting up a plan is to make sure the plan's eligibility requirements do not discriminate against certain employees. It is standard, however, to require 1,000 hours of employment and 21 years of age as eligibility requirements.

Although a set amount does not have to be set aside in profit-sharing, the plans should meet with Internal Revenue Service (IRS) approval. This means developing the

Smaller companies choose profit-sharing

According to the Profit Sharing Council of America (PSCA), Chicago, IL, in recent years a good many entrants into the profit-sharing arena have been smaller companies with no pension plans. "In fact, it is a small company phenomena," says PSCA president Walter Holan. These firms have set up profit-sharing plans as both a retention incentive and as a source of employee retirement income. The beauty of a profit-sharing plan, Holan says, is that,



plan, usually with your attorney and accountant, and then taking a copy of the plan to the local IRS office. IRS replies by letter that the plan looks fine or suggests amendments.

Effect of new tax laws

According to restaurateurs who have looked at the effects of the new tax laws on profit-sharing, the profit-sharing plans will remain basically intact. Some of the new rules, however, will limit the amount of contribution and the employee's ability to utilize the money before leaving the company. Previously, employees could take loans against the amount in their profit-sharing account. Under the new law, there are stricter rules regarding loans. This is only one of many suspected changes in use of profit-sharing plans. Because the IRS is still writing regulations to interpret the new tax law, the full effects of the law are not yet known.

unlike a pension plan, a set amount does not have to be set aside each year. If profits are low, a decision may be made to set nothing aside or perhaps a small amount. With a pension plan, however, a predetermined defined commitment of money must be set aside each year, regardless of company performance. "Many small or new companies often institute profit-sharing plans because they have not yet established the earnings pattern required as a basis for the fixed commitment of a pension fund," Holan explains. "It fits their management needs, and it acts as a motivator."

According to Herbkersmann, the purpose of the plan is a strategy to reward long-term employees: "Twenty years down the line, they'll have a comfortable income. Marriott's philosophy is if we keep the employees happy, the employees will keep the customer happy."

Employee stock-ownership

Employee Stock Ownership Plans (ESOPs) are another popular way to share business profits with employees. The surge in popularity of ESOPs grew in the early 1980s due to a tax credit for the plans. According to David Binns, executive director of the Employee Stock Ownership Association, Washington, DC, the new tax law maintains the original incentives for ESOPs and adds a few more. Not all ESOPs are profit-sharing plans, however. In a typical ESOP, money is invested for an employee in a diversified portfolio of stocks. "In a profit-sharing ESOP, however," explains Binns, "the money is invested mostly in the sponsoring company's stock, and employees are indeed owners of their own company." According to Binns, the plans work similarly to other profit-sharing arrangements in that a defined contribution is not required each year. "Instead, the contribution is based on the performance of the company," says Binns. "For successful companies in recent years, this has been a contribution of between seven and 10 percent of profits."

Binns points out one particular incentive for setting up an ESOP. "This incentive is very good for small business owners who want to get money out of their company but who do not want to sell the whole company," explains Binns. In the arrangement, if the primary owner sells at least 30 percent of the company stock to an ESOP and reinvests the money in qualified replacement property (stocks or bonds of domestic U.S. corporations) within one year, the owner pays no taxes on the sale. Instead, he or she is taxed only when the replacement stock is resold. Binns elaborates: "Say the owner has a company valued at $1 million. He can borrow $300,000 at a bank so that the ESOP can buy out 30 percent of the stock. Then, the ESOP repays the loan out of future company earnings, say $100,000 a year over the next three years. Employees end up beneficiaries at no cost to themselves."

Some companies, such as the Marriott Corporation, take a different approach to an employee stock-purchase plan. In addition to their 401(k) plan, Marriott employees are given an opportunity to buy company stock at an attractive price. According to Herbkersmann, employees can opt to have a percentage of their salary (from five to 10 percent) withheld during the year. At the end of the year, they can purchase Marriott stock at either the closing (end-of-the-year) price or the opening (beginning-of-the-year) price, whichever is lower. Employees then can keep the stock or resell it after owning it for the time required by law.

Include other incentive programs

Experts say it is often advantageous to operate performance reward systems in addition to profit-sharing because multiple programs permeate the organization with an incentive philosophy. Several incentive hierarchies can complement and reinforce each other and together meet the diverse motivational needs of employees. One example of a complementary performance/reward system operating alongside profit-sharing is William Miller's monthly bonus plan for managers who reach pre-established goals. "We set a budgetary base, and, when we exceed goals," says Miller, "a rather nice bonus goes to the person. The same kind of program was also instituted for servers, called a 'special appreciation bonus,' where every two weeks a server is singled out for doing a good job." Similarly, Miller runs motivational contests, such as those aimed at selling the most desserts or appetizers. Miller notes, however, that an operator must be careful to identify a prize for the nighttime crew and one for the daytime crew, so all employees are judged fairly.

In sum

Profit-sharing is only one of several types of employee benefits, but it is one that many owners feel yields strong dividends. With profit-sharing, employees seem to be willing to work a little harder, stay a good bit longer and look for ways to save the company money. ☐

A Legal View of Employee Benefit Plans

An employer is not obligated by federal law to provide any type of accident, health, life insurance or pension benefits to employees. Once the employer establishes a plan providing such benefits, however, the plan is regulated, to some extent, by federal law.

Employee Retirement Income Security Act

The principal law regulating pension plans and employee welfare (including health) plans is the Employee Retirement Income Security Act (ERISA), 29 U.S.C. § 1001-1461. ERISA requires that the administrator of the plan (or the employer if there is no administrator) furnish to each participant and beneficiary receiving benefits under the plan a written summary of the plan and all modifications as well as certain other information filed annually by the administrator or requested by the participant or beneficiary.

If an employer offers a pension plan, ERISA also requires that all employees at least 25 years of age and with at least one year of service must be eligible for pension participation. A year of service is defined as 1,000 hours of service during a 12-month period; most employers tend to use this figure as a dividing line between full-time and part-time employees.

The law does not regulate pension benefit amounts or terms except to mandate certain "vesting" rights. The Tax Reform Act of 1986 (Act) makes significant changes in those rights. Either all benefits must vest after five years of service, or there must be a 20-percent vesting after three years of service, increasing 20 percent each year with full vesting after seven years of service. Multi-employer plans may use a 10-year vesting. Plans may require two years of service before employees become eligible if they are immediately 100-percent vested. Generally, the new vesting requirements become effective for plan years commencing in 1989.

Tax considerations

The Internal Revenue Code of 1954, as amended, requires that each year pension plans satisfy certain non-discrimination rules. If the plan fails to do so, the plan loses its status as a qualified plan. Highly compensated employees are taxed on their accrued benefits, and the employer loses the tax deduction.

The Act retains the basic provisions of the IRS Code, but it changes the coverage tests and minimum participation rules for pension plans. In addition, the Act adds non-discrimination rules for accident or health plans and group term life insurance plans. In general, if the health or insurance plan is discriminatory, highly compensated employees will be taxed on the discriminatory part of the benefits. The Act does not, however, provide for the loss of the tax deduction.

The effective dates vary for the changes to the non-discrimination rules for pension plans and the new non-discrimination rules for accident or health plans and group term life insurance plans. Therefore, if you have any such plan or are contemplating establishing one, you should consult with your insurance carrier and tax advisor.

Required health plan continuation coverage

A new federal law, effective for plan years commencing after June 30, 1986, allows continued coverage under employer-sponsored group health plans for "qualified beneficiaries" of "covered employees." Qualified beneficiaries include

1. spouses and dependents of deceased, divorced, separated or Medicare-eligible employees and
2. children who cease to be covered as dependents under the plan.

A covered employee includes either an active employee or a former employee who was covered by a group health plan. Continuation coverage for the above beneficiaries is required for three years from the date of the covered employee's death, divorce or legal separation.

Additionally, employees who may lose health plan benefits because of termination or a reduction in hours of employment are eligible to receive health plan benefits for 18 months. Such coverage is allowed for both voluntary and involuntary terminations, but no coverage is required if the termination occurs because of an employee's gross misconduct.

Coverage must be identical to the benefits provided under a health plan to similarly situated beneficiaries immediately before the death, divorce or separation of a covered employee. Continuation coverage is not required for those employers maintaining health plans who, during the preceding calendar year, employed fewer than 20 employees on a typical business day.

Cost of coverage

Employers are permitted to charge beneficiaries a premium not to exceed 102 percent of the applicable premium for any period of continuation coverage.

Notice and election requirements

The *employer* must notify the plan administrator within 30 days after an employee's death, termination of employment, reduction in hours or entitlement to Medicare benefits. Each covered employee or beneficiary is responsible for notifying the plan administrator of any change in family status (separation, divorce or child becoming ineligible due to attaining majority).

Following such notice, the plan administrator has 14 days to notify beneficiaries of their rights to elect continuation coverage. Notice by mail to the beneficiaries' last-known address is adequate. A penalty of $100 per day is provided for plan administrators who do not send timely notices to participants and beneficiaries.

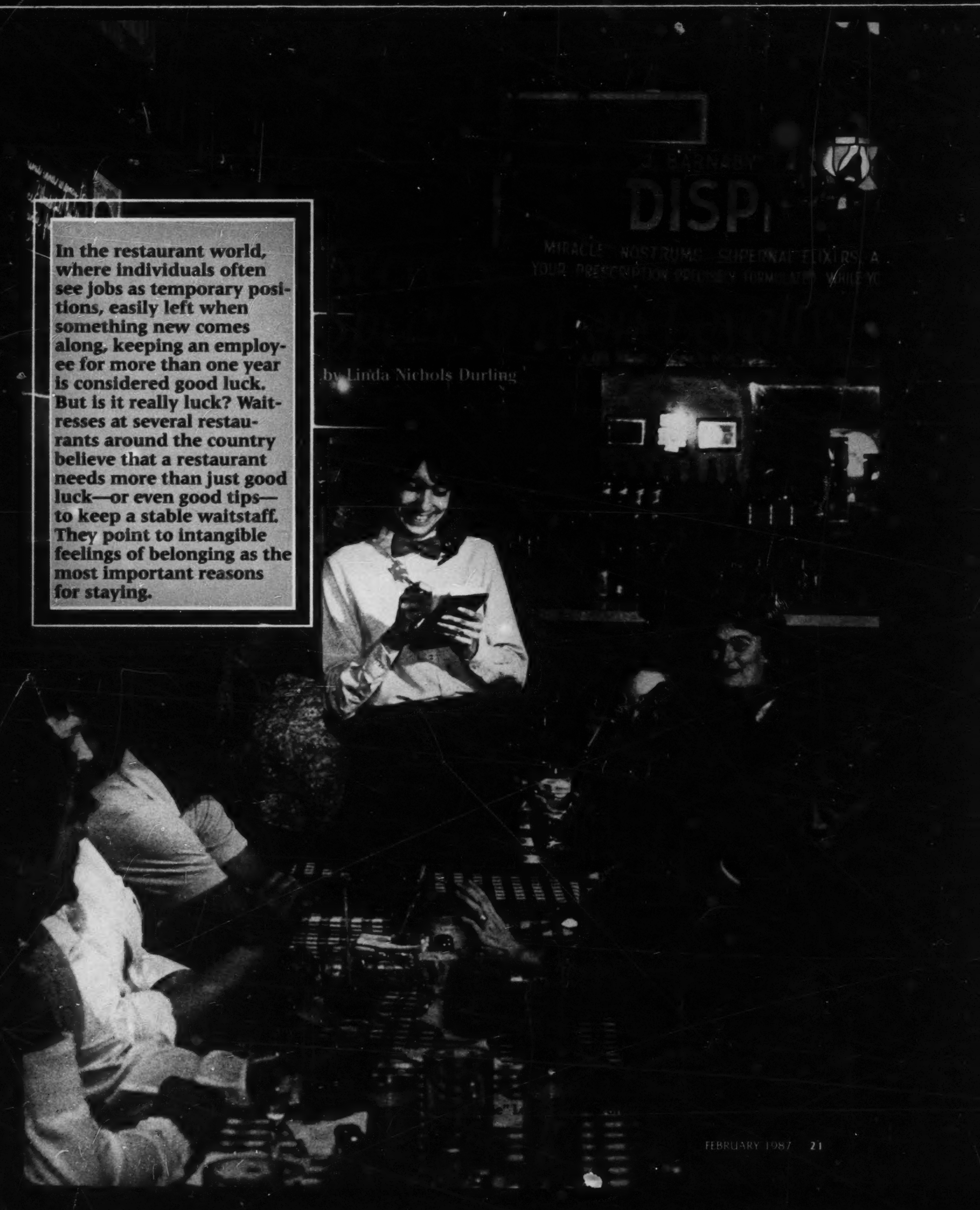
Beneficiaries may elect coverage within 60 days of the death, divorce or legal separation of the covered employee.

No continuation coverage is required after (1) the beneficiary fails to make timely payment under the plan; (2) the beneficiary is covered under another group health plan as a result of employment, re-employment or remarriage; (3) the beneficiary becomes entitled to Medicare benefits and (4) the employer-provided plan ceases.

—Dick Johnson
from the Legal Problem Solver for Foodservice Operators *published by the National Restaurant Association*

In the restaurant world, where individuals often see jobs as temporary positions, easily left when something new comes along, keeping an employee for more than one year is considered good luck. But is it really luck? Waitresses at several restaurants around the country believe that a restaurant needs more than just good luck—or even good tips—to keep a stable waitstaff. They point to intangible feelings of belonging as the most important reasons for staying.

by Linda Nichols Durling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Eleven years ago, 17-year-old Jennifer Salter walked into Paisan's, a 200-seat Italian restaurant in Madison, WI, and applied for her first job as a full-time waitress. She got the job.

Today, Salter is still at Paisan's. She admits the tips are good, but that is not the only reason she stays. Salter says she stays because the management and staff at Paisan's feel like family. This family feeling makes her—and other members of the staff—loyal to the restaurant.

"Paisan's feels like my second home," says Salter, the mother of two. "The managers at Paisan's work to build a close-knit family feeling among the employees. They treat me well. They're concerned about me, and they respect me. They make me feel like I'm important."

Feeling important

The feeling of being important to a restaurant and to management is an intangible quality that many servers value highly. It is a benefit that will keep a server at a restaurant even if slightly better tips are available at a restaurant just around the corner.

Barbara (Cookie) Lollar has worked at Barnaby's, a 170-seat "publick house" in Wheaton, MD, for almost eight years. She stays because she cares about the people she works with. "I could find good or even better tips closer to where I live (33 miles away), but you have to take the overall job into perspective," she says. "Jim and Geoff (the co-owners) are so compassionate. . . . They want you to work there. That makes you enjoy working there."

Management can foster a family feeling among staff in different ways. But one important way, many servers agree, is to treat employees as individuals. This often translates into recognizing that servers have lives outside the restaurant.

Flexible scheduling

According to most servers, flexible scheduling is vital to building their loyalty. Terry Charping, a waitress who has worked at the 90-seat Hard Times Cafe in Alexandria, VA, since it opened six years ago, says she has stuck around—even when the tips were meager—because of the sensitive scheduling.

"You hand in the hours you want, and they (management) schedule around them. They literally spend hours working on the schedule," she maintains. That kind of flexibility is unusual—and appreciated, Charping says.

Cookie Lollar agrees that flexible scheduling is one reason she likes working at Barnaby's. "They (the managers) don't wear you out; they give you good schedules. They realize you have your own personal life outside your job, and they encourage it. They realize if you're happy at home, you're going to be happy on the job," she says.

Caring for the server's personal life

But adjusting schedules is not the only way to show concern for the server's personal life. Taking an interest in the server's family and health also creates bonds.

Pat Meeks, who has worked for 18 years at Lord Fletcher's, a 400-seat restaurant in Spring Lake, MN, says one reason she loves working there is that "we're like family. Alan Bell (the manager) knows our children—our grandchildren now," she says. "We can talk one-on-one. He listens—lots of people won't."

Helen Otterson, who has also worked at Lord Fletcher's for 18 years, agrees. "The management is very caring. When I had a heart operation,

Restaurant managers echo server views

Not surprisingly, restaurant managers who have low waitstaff turnover share common management practices—practices that demonstrate to employees that they are seen as individuals. These practices are also similar to those mentioned by longtime waitresses as underlying their loyalty to a restaurant.

■ Take, for example, Geoffrey O'Neill, co-owner of Barnaby's, a "publick house" in Wheaton, MD. O'Neill, like his veteran waitress Barbara Lollar, believes that trust and respect are essential factors in keeping a good waitstaff happy.

At Barnaby's, trust and respect are part of everyday life. "We trust our employees. A lot of restaurant owners would consider us naive and stupid, but employees prefer to be trusted," says O'Neill. "Generally, they are honest—if you don't give them a reason to steal, they won't."

■ Alan Bell, manager of Lord Fletcher's in Spring Lake, MN, agrees that trust and respect are important factors in keeping a good relationship between staff and management. He says he is willing to take advice from his servers because he respects their opinions. Waitresses out on the floor, he says, often notice things that he might miss. He adds that he is always willing to listen to their ideas.

"You can't be rigid in life," Bell notes, "and you can't run a place rigidly either. If you run a place like that, you won't keep people. What one day is as right as right can be, the next day won't be right. You have to change with the times."

Managers find that another way to build loyalty is to show staff that the manager is willing to do the same work. A manager that pitches in when the going gets tough is a manager that communicates to his staff, "We're all in this together."

Alan Bell has found that technique useful. "I've been a manager at Lord Fletcher's now for 10 years. I never believe in managing from an office. When there are people around, I look. . . . I'll jump in (when someone needs help)."

■ Barry Thompson, co-owner of Hard Times Cafe in Alexandria, VA, says the restaurant has many of its original staff. Thompson says he has seen the benefits of creating what he calls "a family-type environment." He has not only a stable staff but, in his words, a "dynamite staff."

Thompson sums up his theory of keeping waitstaff happy this way, "It's kind of a bottom-line thing. If you create an environment that makes people feel comfortable, they stay longer."

Linda Nichols Durling is an intern at **Restaurants USA.**

Judith Heinz, center, and Terri Charping, right, serve up some chili at Hard Times Cafe in Alexandria, VA.

Alan asked about my health. He likes us. He lets us know we're important."

When Otterson could no longer waitress for health reasons, she was given a job as a coat checker and a waitress assistant. She appreciates this kind of support.

"A little room to be human beings"

Perhaps just as important—if not more so—is demonstrating a trust in and respect for employees. For example, waitresses say they appreciate managers who show tolerance when mistakes are made.

Judith Heinz, a waitress who has worked at Hard Times Cafe for nearly six years, says she appreciates her managers' patience. "They (the managers) are very humanistic. It's easy to freak out when you're under pressure like this, but they allow us a little room to be human beings. They're tolerant," she says.

Pat Meeks of Lord Fletcher's says that she appreciates a manager who listens to both sides of a conflict, especially if the disagreement is between a server and a customer. Meeks says her manager's fairness has kept her loyal. "Lots of times you cannot discuss things with a manager; nine out of 10 times his eyebrow goes up. But Alan gives us the benefit of the doubt; he trusts us."

Another way of showing trust and respect is to not hover over employees, says Nancy C. Cohen, who has worked as a waitress at Juniors, a 210-seat deli in West Wood, CA, for five years. She says the management at Juniors supports the waitstaff without being overbearing.

In some restaurants, managers go a step further. According to Judith Heinz, managers at Hard Times Cafe show they trust and respect waitstaff because they really listen to what the employees have to say. "When the managers intend to change something about the restaurant, they ask us what we think. They come in and ask, 'Will this work?' And they really listen to what we have to say," explains Heinz.

And their concern is genuine, she adds, because they often extend a helping hand. "I've worked in restaurants where managers sit down at lunch and you wait on them, and they act like jerks," she says. "But Hard Times' managers aren't like that. A lot of managers at Hard Times have experience in the business, and they understand what it's like on the floor. If we're behind, they help us. They're actively involved in the restaurant," she adds.

In sum

Servers agree that managers who treat employees as individuals, by respecting their lives outside work and demonstrating respect and trust, not only will have more "luck" keeping a stable waitstaff, but they may also find that their staff is more productive.

Some waitresses say they try harder when they care about the boss and the boss cares about them. "We like the people we work with," Pat Meeks says. "We want to do well for them. When you like the people you work for, you don't mind working hard. If you don't like them, you'll slack or drag your feet," she says. Lollar concurs, "When you're treated like a kid, you want to act like one. When you're treated like an adult, you give it all you've got." ❑

Fixed Servic

Current congressional debate on adding employee's tips to Social Security
their present tipping policies Should you maintain a tipping system left to th
It is as much a question of philosophy as one of procedu

YES

by Barry Wine

In my opinion, tips have stopped being a reward. Customers leave a tip no matter what. In the New York fine dining restaurant economy, tips between 15 and 20 percent are standard. Customers leave that regardless—particularly if they intend to go back to the restaurant.

We started using the service charge system in our new restaurant called The Casual Quilted Giraffe when it opened last summer. We were so happy with the way it worked that we started using it two months later in our original restaurant, The Quilted Giraffe.

A service charge is different from a fixed gratuity. There are some restaurants in the United States that set the amount of the tip at 15 percent, 12 percent, 18 percent or whatever. They put that amount on the bill, perhaps because they are concerned the customer will not leave enough. That system simply tells the customer how much to tip.

We don't do that. Our 18-percent service charge is revenue that belongs to the restaurant. The restaurant, in effect, does with that money as it pleases. We pay income tax on it. We charge the customer sales tax on it. And all the people in the restaurant benefit from that source of funds—not just the waitstaff but busboys, chefs and other staff as well.

A fixed service charge eliminates any concern about the shift worked, the section of the dining room serviced, the days worked and the customers waited on.

In our restaurant, good service incentives come from managers who demand great service just for the sake of great service and not for the sake of a larger tip. Although the service charge does place an added burden on management to make sure the service is worth 18 percent, we have not had any problems with our service. Very simply, we demand excellent performance from our waitstaff no matter what the tipping system is.

Reducing the personal financial incentive that comes from tips is particularly important at The Casual Quilted Giraffe where we want to encourage the idea that it's a place for customers to drop in and eat as much or as little as they want. We did not want the waiters to have the personal financial incentive to push a more expensive wine or encourage someone to order five courses instead of three.

System creates professionalism

Another major reason for developing this system was to create the concept of waitstaff professionalism. We want to encourage our staff to act as professionals and to treat their jobs as responsibly as would a lawyer or a banker. We want them to understand that they have a $25,000-a-year job and that they are going to get a weekly $500 check whether it rains or snows, whether the World Series or the Super Bowl is on, whether they work lunch or dinner or whether anyone sits in their section.

Another plus is the benefits we are able to offer. This idea goes along with the whole concept of developing a professional job image for the staff. It is our perception that employee benefits should be financed out of the service charge fund. Consequently, we have, unusual for a nonunion restaurant, paid sick and vacation days and pension, profit-sharing, medical and dental plans. The benefits kick in after six months and keep our turnover down.

Potential drawbacks

The take-home pay in a set salary system does not always seem to be as great a reward to a waiter who is used to receiving tips. I would say that is our biggest stumbling point at the moment. It has been quite clear, however, that salaries can be high enough to be competitive. At The Quilted Giraffe the staff seems to love the system.

Another potential drawback is the psychological impression made on customers. At the moment, when customers get the bill in our restaurant and the service charge is already there, they sometimes get the impression that the restaurant is more expensive than it really is. In a typical restaurant, they get the check and say, "Oh, $70." But by the time they are finished with their credit cards, they've made it $85. In our restaurant, customers get that $85 bill right from the start.

Positive customer reaction

Customer reaction has been very positive. I have found that less than one percent of our customers have commented on it negatively. Those that have are generally not concerned with the system or the actual percentage, but rather with the idea of not being able to be a "big spender." They're the type of customer who thinks slipping the waiter a large bill will get faster/better service.

We have also tried to avoid negative customer reaction by clearly explaining the system upfront. To avoid any confusion, our menus and checks include this printed statement, "An 18-percent service charge will be/has been added to your check. No further tipping is expected."

If someone wants to leave an extra tip, we allow them to. But if they leave an amount of money that makes it look like they didn't understand that the service charge was included, the waiters are instructed to go to the customers, tell them and offer the money back.

For example, when we fill out charge card vouchers, we cross out the word tip and fill in that line with the 18-percent service charge. Since most customers pay by credit card, it's very clear to them that no tipping is expected.

Barry Wine is the chef/owner of The Quilted Giraffe (60 seats; $140 average per-person check) and The Casual Quilted Giraffe (90 seats; $40 average per-person check) in New York, NY.

e Charges?

ayments (see *Washington Report*) may cause many operators to rethink
omer's discretion or add a fixed service charge to the customer's check?
ere are opposing views by two well-known restaurateurs.

NO

by Thad Eure

I very much favor the tip system; it's a part of the American work ethic. Although service charges have been prevalent in Europe for years, trying to adopt that system in our country would mean changing values we have had since childhood.

I can't think of anything better than a system which rewards performance, and that's what tips do. It tickles me to death to see people tip 20 or 25 percent because it means they were very pleased with the service. And I want to know when someone gets a small tip because the customer is telling us that he didn't get good service, and we can then remedy the situation.

Customers can choose

Most people like the idea of deciding how much to tip. That's the key to tipping—it's a voluntary decision based on the service received. I don't like to see a customer leave a tip when he or she hasn't been served well. In my mind, that defeats the purpose of the tipping system. Tipping should never be a habit. It should be a discretionary decision by the customer.

A service charge can be divided any way the management chooses. It can be handled very subjectively. If restaurateurs need extra money to pay additional bills or the people in the back of the house, I would prefer they simply charge more upfront.

I don't think a service charge is very desirable for customers. For instance, the dining room service charge may be going to the stockroom. To be sure, the stockroom personnel play a part in the overall operation, but the terms "waiter" and "waitress" mean that these people wait on the customers and see to their needs. They are the ones doing the actual serving; they are the ones customers should be able to reward as they see fit.

A valuable incentive

A service charge puts all the staff on the same level. It spoils the incentive for someone to excel. I doubt many waitpersons would worry about doing anything more than they had to do if they didn't get tips. Tips are a strong motivator: The staff knows that if they are not on the ball—courteous, polite, friendly and hospitable—their customers may leave a poor tip.

It thrills a customer when he or she sits down and the waiter or waitress automatically brings them their brand of beer, cocktail or bottle of wine. That impresses people. If you are entertaining a guest, and the waiter comes over and says—"How are you tonight, sir? Here is your cocktail, and what may I get for your guest?"—it makes the customer feel like he is "somebody" in the restaurant. That is what people want.

And it is to the servers' advantage to foster this type of attitude because they would like the customer to ask for their station the next time they come in.

We honor customers' special requests for specific waiters, but that doesn't mean we have a problem with competition among the staff. In our restaurant, staff are assigned stations based on their capability to look after the station. Some stations do more business than others, and the better servers are assigned the tougher stations. If people are inexperienced, we give them fewer tables. But they know they have the opportunity to "work up" to better stations and better tips. That, in itself, is an incentive for servers to improve their skills.

Training is key

We spend a lot of time training. We have a list of 41 minimum standard server responsibilities, such as bring fresh water between courses, empty ashtrays, etc. We tell our staff these are the minimum things they have to do to earn a standard service tip.

Our waitstaff are salespeople; they are not what I call "toters." They don't just "tote" menus, beverages and checks; they "sell" the restaurant's hospitality. For instance, we have found that training staff to promote items is a good way to boost the check average as well as the tip. Servers don't push items in an overbearing way, of course. The idea is to politely suggest them. After all, customers may not even think of trying something unless the waiter brings it to their attention.

Service charge may work for some

Service charges may work for some restaurants, particularly the more expensive operations. For instance, with an $80 or $100-per-person check average, the tip amount goes up pretty quickly. Consequently, people may not tip the complete percentage because the meal is already fairly expensive. In that case, management may want a fixed charge to ensure that servers are paid fairly.

With a lower check, say of $20 or $25, people probably have a tendency to leave a higher percentage. Our per-person check averages $26. It's not uncommon for people to leave a $5 tip for a $20 meal, and that is a 25-percent tip. So a fixed service charge might actually underpay our staff.

Not for us

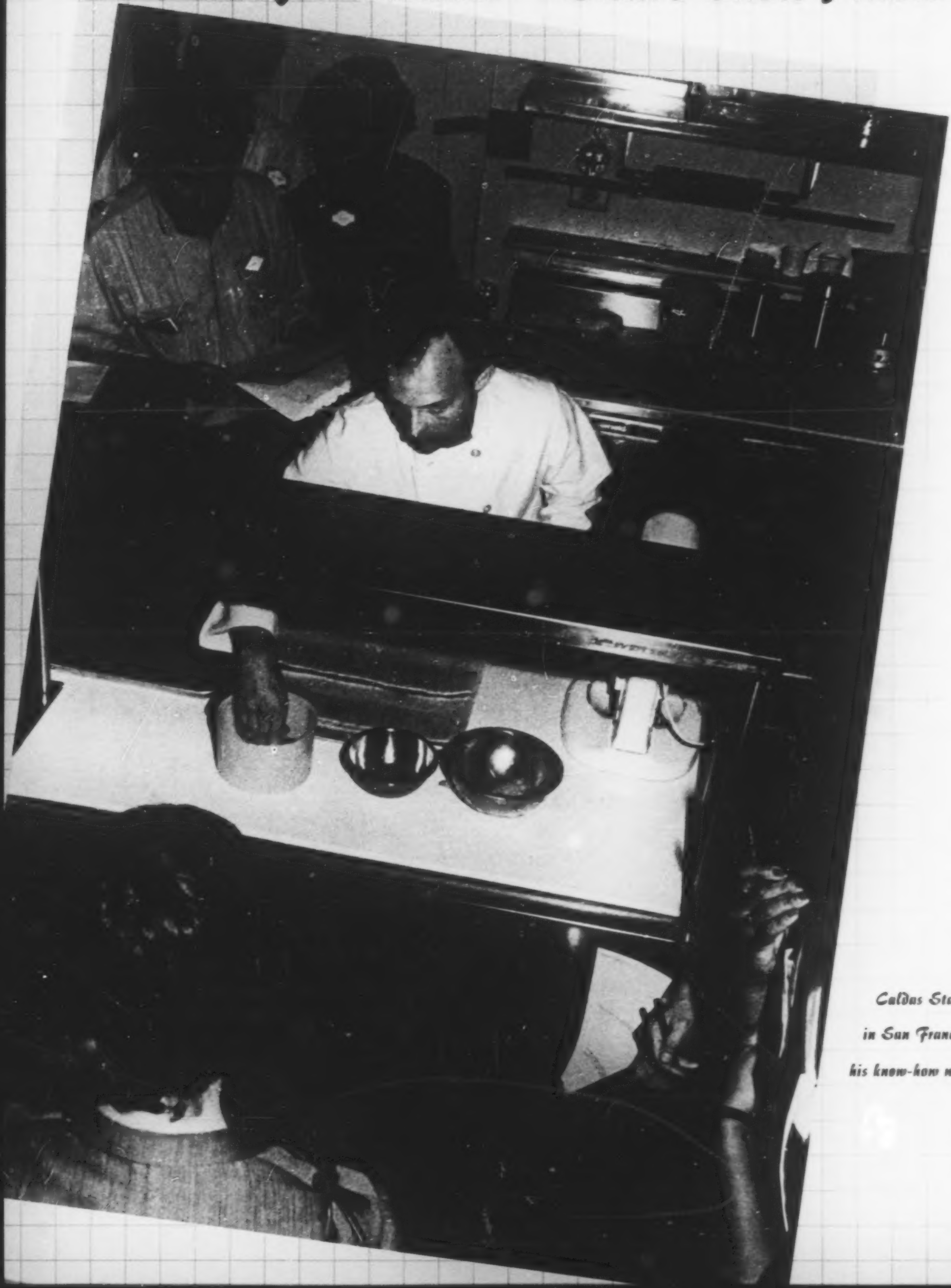
While a fixed service charge may be appropriate for some restaurants, I don't think it would work in my operation. Yes, the system works well in Europe, but I can't see changing the traditional American service philosophy. And that's what it would take to make it work here in the U.S. □

Thad Eure is president and owner of the Angus Barn Restaurant (550 seats; $26 average per-person check) and partner in Fat Daddy's Market and Grill, a three-unit, semi-self-service, gourmet hamburger operation in Raleigh, NC.

Editor's note: *Because laws may vary from state to state, consult your local regulations and your attorney before implementing a fixed service charge program.*

Cooking Classes

Restaurants Share Their Know-how



*Caldas Stamenov, pastry chef at Masa'
in San Francisco, C.A. shares
his know-how with students.*

by Toni Lydecker

At nine o'clock sharp on a recent Saturday morning, a dozen students gathered in the kitchen of Printer's Row, a 110-seat restaurant in Chicago, IL, to watch chef Charles Weber make *oyster and spinach bisque, roast quail with cider sauce*, and *fig pudding*. They not only carried away neatly typed recipes for those dishes, but also learned such tidbits as these during two hours of class time:

☐ what that gray scum on top of stock is (excess blood and hemoglobin from bones) and why to skim it off (the stock could acquire a bitter taste),

☐ how to stuff and truss a quail to look "natural" and

☐ why a roux should be cold when added to a sauce.

This session was part of the "Grand Master Chefs of Chicago" culinary series that pairs students with different chefs for eight weeks. Although the classes, at about $50 each, are on the pricey side, they sold out well before the starting date. More than 1,000 people have participated in previous series in San Francisco, CA, and Los Angeles, CA. Similar classes are planned for several other cities.

For amateur gourmets, the classes are as much entertainment as education. "People wouldn't go without a strong interest in food, but they also love to see the kitchens of well-known restaurants and to meet the chefs," says Wade Hathaway, assistant marketing director of the California Gourmet Society, which helps sponsor the series. About one-third of the students are restaurant professionals whose motivation is a little different—to learn the culinary secrets of some of the best chefs in town.

For a good cause

Although the Grand Master Chefs series was a success in San Francisco and Chicago, the format may not always work. Restaurateur Gregory Andro recalls the time a gourmet society in Phoenix, AZ, planned to charge $40 a head for a demonstration by a nationally known chef; the event was cancelled for lack of interest. "Phoenix is a funny town—if you charge too much for a cooking class, even for a celebrity chef, it may not come off real well," said Andro, who owns seven Gregory's Restaurants in Phoenix, AZ; Denver, CO; and San Antonio, TX.

A trained chef in his own right, Andro has found another formula that suits him and his audience—cooking demonstrations for local charities. Each participant pays about $15 for the demonstration, an auction of items donated by local businesses and a luncheon with wine. A small percentage of the fee covers Andro's food and staffing costs, and the remainder goes to the charitable cause.

Several hundred people attend the demonstrations—far too large a number for the kitchen to accommodate. That is why Andro does his cooking on a camp stove in a banquet room. Any dishes that require baking are popped into the oven in an adjoining kitchen.

Why offer cooking classes?

☐ To publicize the restaurant and its chefs

☐ As a favor to regular customers

☐ To communicate your culinary philosophy

☐ To get feedback from students (who may well be customers)

☐ As a community service or fund-raising effort

☐ To use kitchen facilities during non-peak periods and

☐ For the pleasure of teaching useful skills to others.

Andro will demonstrate any kind of recipe on request. Left to his own preferences, however, he will choose a half-dozen simple, homey dishes, such as *chestnut turkey stuffing* and *cherries jubilee*.

Sometimes an assistant or two join the demonstration, but they are usually chosen for attributes other than cooking skills. For instance, when Andro raised funds for the Scottsdale Foundation for the Handicapped, his assistants were a popular, local newscaster and the mayor of Scottsdale.

After the demonstration, Andro turns auctioneer—selling an assortment of goods ranging from frozen T-bones to a hotel weekend to the apron he wore during the show. During lunch, he circulates among the tables, chatting with guests and answering questions.

Rigorous, one-day classes

Although a majority of restaurants choose the demonstration format used by the Grand Master Chefs series and Gregory Andro, there are those who teach by student participation. It is generally accepted that students learn more by participating, but this technique may require investing in additional cooking equipment, and few restaurant kitchens can spare the space for students to have individual stations. Also, insurance to cover the contingency of a student being injured in the kitchen may be costly or unavailable.

Chef Allen's, a 78-seat restaurant in North Miami Beach, FL, is an exception to the rule. By bringing in students one at a time, chef/owner Allen Susser ensures close supervision.

The intensive, daylong session begins with instruction in choosing ingredients—how to identify a ripe pineapple or tell whether red meat has the right marbling and finish. Together, teacher and student then compose the restaurant's menu for the day, perhaps creating a special named after the student.

In the afternoon, Susser demonstrates culinary techniques, adjusting the degree of participation to the student's ability. "A student can learn a lot about grilling fish without physically turning the fish. For some people, just touching a fish before it's cooked is something new," says Susser. The student ends the day by working on the line for a few hours.

The price of the six-hour class, about $100, hardly compensates for the inconvenience of having a companion in the kitchen all day. But Susser, who also teaches cooking classes on cable television, loves teaching so much that he does not mind.

And he mentions another plus of the classes: "After spending the day in our kitchen, students have total confidence in the food. They can't wait to tell friends they cooked at Chef Allen's. How can I get better advertising than that?"

Toni Lydecker is a free-lance writer in the Chicago, IL, area.

Students observe chef Lucas Gasco at Umberto's in San Francisco, CA.

Promoting good health

At the cooking classes sponsored by Suburban Hospital in Bethesda, MD, there is no celebrity chef in sight. Instead, the five-week "Food Works" program shows students how to prepare healthful food in a no-nonsense way. One week the subject may be alternatives to frying; another week the focus may be the preparation of desserts low in fat and sugar.

Class size is limited to eight people who congregate in the hospital's Atrium Cafe-Restaurant after it closes in the early evening. Aided by the restaurant manager, a hospital dietitian teaches the class. Many of the dishes that are taught appear on the restaurant menu.

The upbeat tone of the classes sends the message that a low-fat, low-cholesterol diet is not necessarily cruel and unusual punishment. "That's reassuring to cardiac patients, who may fear their diet is so restrictive they'll never be able to go out with their friends again. They learn that they can still eat well in restaurants," explains Sharon Griffin, director of the hospital's hospitality services.

The Wood Company, a foodservice management company in Allentown, PA, runs similar cooking classes in the kitchen of its corporate headquarters. Some students are referred by the company's healthcare clients, while others sign up on their own. In either case, the classes tie in with a total health program that may also focus on nutrition, weight control, smoking cessation or aerobics. "We consider ourselves leaders in wellness, and teaching people how to put together healthy but appetizing menus fits into that picture," says Richard Cipoletti, vice president of administration.

Outside your own kitchen

Seeing how the kitchen works is a key attraction of many restaurant cooking classes, but those restaurants serving three meals a day probably do not have enough downtime in the kitchen to make cooking classes possible, unless students are willing to come in at midnight.

The physical layout may also preclude holding classes in a restaurant kitchen. Even the best-taught class cannot succeed if students must struggle to see and hear in the midst of noisy ventilation systems and cramped quarters.

Marcel DeSaulniers, executive chef and co-owner of the 85-seat Trellis Restaurant, Williamsburg, VA, offers another reason for teaching somewhere else: the opportunity to escape the work pressures of your own restaurant. He often takes a couple of staff members along to give them a breather from the normal routine.

Restaurateurs willing to teach in another setting can share the work of organizing a class with related businesses. Possible sites are department stores, cookware / kitchen stores and other restaurants.

Chefs with a flair for preparing fish often demonstrate one of their restaurant's signature dishes at the Chicago Fish House. No seating is provided for the free demonstrations, held each Saturday, but an overhead mirror gives a good view of the food and the teacher's movements from any point in the room. Students inspired to try a recipe can buy the ingredients on the spot. Best of all, the teacher need only conduct the demonstration, for the Chicago Fish House handles publicity and prints recipe cards.

Marcel DeSaulniers goes farther afield for his cooking classes. He has done stints at the Broadmoor Hotel in Colorado Springs, CO, the Ahwahnee Hotel in Yosemite National Park, CA, and the Greenbrier Hotel in White Sulphur Springs, WV. Perhaps his most exotic site for a cooking class was a barge floating down a river in Burgundy, France.

In that instance, DeSaulniers had been scheduled to give a formal cooking class each afternoon to the 14 cruise passengers. However, problems, such as a lack of ice and the need to prepare meals for passengers, forced him to "throw that game plan away." Instead, he asked guests to drop by the kitchen any time between 4:00 and 7:00 p.m. for informal observation.

Although the Trellis Restaurant specializes in light American cuisine with southern nuances, DeSaulniers often finds himself preparing other fare during his off-site teaching jaunts. Finding that Californians attending a culinary weekend at the Ahwahnee Hotel were eager to learn more about traditional dishes of Virginia, for example, he obliged by demonstrating *black-eyed peas with country ham and peanut oil dressing.*

Hazards of teaching

The appeal of offering cooking classes may camouflage a few hazards. Some restaurant chefs or owners find that the time required for preparation and teaching overwhelms an already-crowded work schedule.

Charles Weber of Printer's Row, who received high marks from students for his classes in the Great Master Chefs series, said once was enough. "It was enjoyable, but just too much of a burden on top of the 100 hours I normally work. I'd stay up until 3:00 a.m. doing the setup for the next morning's class and then have to get up again at 6:00 a.m."

Teachers frequently fall victim to the talking-while-cooking syndrome, which increases the chances of making a mistake. It's not the milk boiling over that matters, but the teacher's response to the problem. "If you appear to be shaken, it's bad. You're supposed to be the authority—after all, that's why people are taking the class," notes Marcel DeSaulniers. "On the other hand, you can use the mistake to show that you're human, too."

DeSaulniers once found that a dessert called *Death by Chocolate* had all too accurate a name. It was "a total disaster in appearance," but instead of starting over, DeSaulniers immediately cut the dessert into pieces and doled them out to participants. They pronounced it wonderful.

Many cooking teachers glide over a blunder with a humorous remark. When Gregory Andro added steak sauce instead of Worcestershire to a sauce, he quipped, "Congratulations, class. We've just invented a new dish." ☐

Ingredients of a well-taught class

☐ **A personable, well-organized teacher.** Choose a chef with human relations skills as well as technical knowledge. The best teachers have a clear speaking voice, an ability to explain each step in a logical way, a knack for encouraging interaction with students and enthusiasm for their profession. A sense of humor helps, too.

☐ **Good recipes.** Gear the complexity of recipes to the abilities of students and make sure the ingredients are available in the supermarkets and other stores your students must use.

Also, avoid recipes requiring specialized equipment, such as a heavy-duty mixer, which students may not own. Test all recipes to make sure they work and that instructions are clear. Leave room on recipe cards or pages for students to jot down their own notes.

☐ **An innovative structure.** Most students want more from a cooking class than the ability to replicate specific recipes. Structure classes to broaden students' understanding of food and culinary techniques. One teacher shows students how to appreciate different combinations of color, texture and flavor by analyzing a plate of food like a bottle of wine. Another demonstrates basic approaches for preparing dishes almost entirely in advance, then finishing them just before serving.

☐ **Painstaking organization.** Good cooking teachers often spend much longer preparing for a class than teaching it. Use the *mise en place* method of arranging all recipe ingredients on a tray to save precious class time and lessen the risk of omitting something. Prepare finished versions of recipes that require too much time for completion in class (examples: a slow-rising bread or a stew that must simmer for hours) so students can see how they turn out.

☐ **Good visibility.** Resist the impulse to overbook; schedule the class for a space large enough so that all students can see each step. Remove equipment and other visual impediments. When performing a tricky operation, such as caramelizing sugar or sauteeing onions, tilt the pot to show students several different stages of the process. Consider installing a mirror over the preparation and cooking area so the students can see well from anywhere in the room.

☐ **Opportunities for tasting.** Tasting the end product is the natural climax of a cooking lesson; skip it, and any student will feel deprived. Beyond satisfying appetites, the tasting gives students a basis for comparing their own renditions to the teacher's version. When the number of students exceeds the amount of food, one recipe should be distributed to one part of the audience, a second recipe to another part.

Adapting to the interest in

NUTRITION

by Claire Regan

Healthful menu choices may not be the hottest items in restaurants, but they are steadily gaining ground. A 1986 study conducted by the National Restaurant Association shows that interest in restaurants specializing in diet or lite menu items remains strong. In 1985 and 1986, 40 to 42 percent of the adults surveyed had tried or were likely to try these establishments. It is clear that there is a market for nutritious items. Accommodating this market need not be an enormous undertaking. Minor menu modifications are usually enough to boost customer patronage and profits.

Ralph Brennan, owner-manager of Mr. B's (190 seats; New Orleans, LA), saw the interest in lighter items as an opportunity to "lighten up" his concept of contemporary creole food. "The changes we made toward the lighter style have not compromised the taste of our creole and Cajun cooking," he says.

The Chestnut Street Grill (125 seats; Chicago, IL), which specializes in grilled seafood, has also benefited from the light trend. "Our concept lends itself well to healthy eating," says manager Robin Ross. "We made some conscious changes in our preparation methods to reduce the fat and salt. We also added a few salads, but, basically, we worked with the regular menu items."

Doing the groundwork

Although developing lite or nutritious items requires time and commitment, the procedure is not much different from developing any new menu concept. The first step is to evaluate the market: Do your patrons care about eating nutritiously, and do they want to do so in your establishment? Those who meticuiously monitor their diets at home may be the same patrons who enjoy your richest desserts.

"Far too often, nutrition programs are developed that meet only the restaurateur's dietary concerns," cautions Beth Carlson, assistant professor of hospitality management at Virginia Polytechnic Institute. Carlson suggests that nutritious concepts should be formulated to meet the patrons' expectations without abandoning the general theme of the operation.

"Consumers don't choose restaurants just because of the low-calorie content of the menu," she warns. Lack of interest can thwart even the best-designed nutrition program. For example, Zachary's (98 seats) in Boston, MA, lost 15 percent of its business when it changed its concept from classical French cuisine to "Continental Naturelle," a style of cooking that emphasized the natural flavor of food while preserving its nutritional balance. "We found that when people are spending $80 to $100 for a meal, they want to taste the butter in their escargots," says a spokesperson for the Colonnade Hotel wherein Zachary's is situated. "We phased out 'Continental Naturelle' due to lack of interest and are going back to what we do best—French cuisine," she says.

Keeping track of requests

Most operators who have successfully incorporated nutrition did not conduct formal surveys or market research. Rather, they kept track of food and health trends and their customers' requests (see sidebar).

This was the tactic taken by Terrence Considine, executive chef of Tumbledown's (100 seats; Bronxville, NY). "We noticed a push for diets lower in cholesterol and fat in the magazines and newspapers," he explains. "Plus, we were getting lots of requests for food served without the sauce, butter or salt. Rather than continuing to improvise, we created 'Light Balance.' The food is more consistent, and we are proud of it."

Other operators, aware of the trend toward healthier lifestyles, have noticed that nutritious menu items were successful in operations similar to their own. "Our 'Svelte Cuisine' was inspired by The Four Seasons' 'Spa Cuisine,'" admits Mike Comisar of Maisonette (130 seats; Cincinnati, OH). "We have many patrons who conduct business here, and we found they get tired of eating heavy French food." Comisar rationalized that if the lite concept was successful at The Four Seasons, it was likely to work at Maisonette.

How to proceed

Once a market for nutritious fare has been identified, developing the concept is the next step. For this stage there are two choices: Do it yourself or work with a consultant.

Working on your own saves the cost of hiring a consultant, but it is time-consuming. It requires becoming familiar with basic nutrition principles and how they relate to cooking. For the motivated, there are many resources available, primarily in the form of books and courses (see sidebar).

Some operators have chosen to work with a nutrition consultant or to adopt an established nutrition program. Nutrition consultants, often registered dietitians, are experts in nutrition, and their expertise can help an operator translate confusing medical jargon into realistic terms for foodservice application. They can also assist in calculating the nutrient content of menu items and determining the potential for promotion of particular foods as nutritious, light or healthy. They can help an operator reduce the calories, fat, cholesterol and sodium without sacrificing a good product.

After Terrence Considine realized he had a market for his "Light Balance" menu section, he worked with a consulting dietitian on the development. "This liaison was beneficial," relates Considine. "When I was in school, I learned about nutrition, but I don't remember much since I never had to use it," he admits.

Is nutrition important to your customers?

How do you decide if there's room for a nutrition-oriented menu in your operation? The most basic consideration is your patrons. Do they want it? The demand may be manifesting itself in subtle ways. Do you get special requests for

☐ foods prepared without salt
☐ salad dressings, sauces or gravies served on the side
☐ plain, broiled fish, poultry or lean meats
☐ foods sautéed with oil or margarine rather than butter
☐ margarine instead of butter
☐ low-fat or skim milk
☐ fresh fruit for dessert
☐ salt substitutes or
☐ bran and whole-grain cereals?

If so, the demand exists in your operation. If you are not quite sure, do some market research to determine the need. For more information, refer to the National Restaurant Association's publication, *Market Research for the Restaurateur,* or talk informally with your employees and customers.

There are advantages to incorporating nutrition into an operation. By doing so, you are indirectly telling your patrons you care about their health and well-being. You are opening your door to people on modified diets and those concerned about nutrition. You may even raise the consciousness of those not so concerned about nutrition and health.

Claire Regan, R.D., is research manager, nutritionist for the National Restaurant Association.

Other operators have depended on established programs to assist them in the development of their healthful sections. Robert Chesney of Domino's Pizza in Pawtucket, RI, joined forces with the Pawtucket Heart Health Program. The program's nutritionist works with local restaurateurs to develop menu items with less fat, sodium and cholesterol. "The thought of 'heart-healthy' pizza intrigued me. So, I contacted the program and reviewed the recipes with the dietitian, and we came up with an acceptable formula," Chesney explains.

Darrell Sheaffer reports that the Ritz Carlton Hotels initially developed its signature "Fitness Cuisine" at corporate headquarters, but eventually adopted the American Heart Association's Eating Away From Home Program. "There are certain advantages to working with the Heart Association," says Sheaffer, director of food and beverage at the Atlanta Ritz Carlton in Atlanta, GA. "Credibility is one advantage. Plus, they give good support and information. For example, we found that red meat is not necessarily bad, as long as a lean cut is used and the portion is controlled."

The plan

Before menu items are chosen and recipes are developed, certain operating decisions have to be made.

❦ **Nutrition goals.** The nutrition goals have to be hammered out. "Consumers today are not just dieters or 'health food nuts.' Rather, they are a highly segmented market of individuals seeking a variety of healthful, wholesome foods that fit their diets and lifestyles," Beth Carlson suggests. She adds that consumers tend to focus only on a few of the nutritional aspects of food, particularly calories, fat, cholesterol and salt (sodium). These concerns are generally what they bring to their dining experience.

❦ **Meal periods.** Not every customer is nutrition-minded at every meal. Some operators are noticing that their patrons are more concerned about nutrition when dining out at lunch than dinner. Comisar of Maisonette notes that orders for "Svelte Cuisine" account for about 30 percent of lunch orders, but plummet to five percent at dinner. "Our lunch customers are regulars who conduct a lot of business here. They get tired of eating heavy food," Comisar says.

Chef Henry Cohen has noticed a similar tendency at the Frontier Hotel's 266-seat Longhorn Cafe in Las Vegas, NV. "Our 'Lifestyles' menu definitely sells better at lunch. People are very concerned about what they eat at lunchtime, but by dinner their concerns go to the dogs," chef Cohen explains. The results of a restaurant association study on consumer behavior also point out that interest in nutritious or healthy food can be expected to be much higher during a routine restaurant visit (i.e., business or social obligation) than during a non-routine meal (i.e., social fun).

❦ **Number of items offered.** Generally, operators have opted to keep the nutritious offerings at a minimum. Successful programs generally offer two to four entrees and one or two appetizer and dessert selections. Some even feature light beer and wine. Comisar advocates this approach, especially in the beginning. "My best advice is to keep it simple in the beginning," he says. "It is important to build a foundation with quality products. If it takes off, then expand.'"

Developing the menu items

When developing healthful menu choices, operators basically have three choices: to use existing selections, to modify existing selections or to create entirely new menu items. When Joe Silvestri, the general manager of Spumoni's, a 235-seat Italian seafood restaurant in Pawtucket, RI, participated in the local Heart Health Program, he realized that some of Spumoni's existing menu items were already heart-healthy. "Our steamers (clams), clam sauce, scrod, manicotti and stuffed shells all qualified. It shows how easy it is to adapt to the program. We serve tasty, basic food and it's healthy," Silvestri says proudly.

When recipes need to be altered, modification usually centers around reducing the fat and salt. This is often achieved by an ingredient substitution and a change in the cooking method. Popular preparation methods include grilling, baking, broiling or steaming because they require no additional fat.

Robin Ross of Chestnut Street Grill explains how the restaurant modified its preparation techniques for its "Spa Menu" selections. "Instead of cooking with butter and salt, we brush our fish

How to publicize a nutrition program

In addition to professional endorsements, there are a number of ways to publicize a restaurant nutrition program without spending the money required to advertise in newspapers and magazines or on the radio.

Food and health writers. The food and health reporters of your local newspaper are constantly searching for story ideas. Find out who your reporters are and call or write them about your nutrition program. They may include it in one of their stories.

Health fairs. Local health fairs are usually an inexpensive way to expose your program to an interested audience. Food samples and copies of the menu could entice some people to try your restaurant.

Cooking demonstrations. If you have a chef who is particularly adept in preparing healthful fare, volunteer him/her to perform cooking demonstrations. Supermarket chains, health associations (American Heart Association, etc.) and retail stores that specialize in cooking equipment are a few organizations likely to sponsor a demonstration. Contact these places and offer your services.

Medical centers and health maintenance organizations (HMOs). In addition to health care, health promotion is a major thrust of medical centers and HMOs these days. Contact the director of public relations and inform him/her of your nutrition program. Offer to get involved in any nutrition promotions or health education programs the organization may be sponsoring.

with safflower oil (a polyunsaturated oil) before grilling. We serve tomato relish rather than tartar sauce—a high-fat condiment—and confetti rice (rice and chopped vegetables prepared with unsalted margarine) rather than french fries or rice pilaf," he says.

Ralph Brennan, too, modified some menu items and added a few new ones at Mr. B's. "We lightened our sauces. We thicken now by reduction and eliminated a high-fat roux. We do lighter interpretations of traditional recipes with grilled fish. Plus we're making an effort to add salads to the menu," Brennan says.

Robert Chesney of Domino's created heart-healthy pizza by eliminating some ingredients and substituting others. "We use lean ground beef rather than sausage or pepperoni. Most of the vegetables are acceptable, except for the olives, which are too salty. And, we had to be careful about the amounts of some ingredients used, such as cheese," he says. Chesney adds that once the recipe was developed, it was not difficult to train the staff. "It wasn't any harder to train heart-healthy pizza prep than the prep for any other pizza."

Although the development of totally new menu items is the most time-consuming of the three options, it can be a worthwhile effort. Chef Henry Cohen says that three items, chicken Bacchus salad, avocados and shrimp salad and orange roughy—created for his "Lifestyles" menu—have turned out to be among the Longhorn Cafe's best-sellers.

The presentation

Once a light menu is developed, what is the best way to present it? There are a few options.

❦ **A separate section.** The Ritz Carlton's "Fitness Cuisine" selections initially were interspersed with the regular items and simply set off by asterisks. Now, after revision, "Fitness Cuisine" appears as a separate section on the menu with a heading equal in size to other section headings, such as seafood, poultry and meat. "Putting 'Fitness Cuisine' in its own section makes it a part of the menu; it integrates the concept," explains Darrell Sheaffer. "Before people tended to miss it. It looked like an afterthought and implied there wasn't as big a commitment to it."

The "Light Balance" selections offered by Tumbledown also appear as a separate section. "With this method, there is no confusion. The patrons who order 'Light Balance' know what they're getting," says Terrence Considine. Considine also prints the number of calories in each of the "Light Balance" selections because he feels this information enhances the marketability of the items.

❦ **A separate card.** At Maisonette, "Svelte Cuisine" appears on a separate card in the front of the menus. According to Mike Comisar, treating "Svelte Cuisine" like the daily specials has increased the selections' selling power.

❦ **No special program on menu.** In contrast, Ralph Brennan tries not to draw any attention to his light versions of traditional creole food at Mr. B's. "When we first began offering lighter foods, we had them asterisked, but it didn't seem to make a difference. So, we stopped it. People who are interested in lighter foods ask about them." Brennan also advises against printing calorie and fat counts on the menu. "It is offensive and takes the fun out of eating," he maintains. "Good descriptions about the menu choices give people a clue about the nutritional value of the dish."

❦ **The waitstaff.** The Chestnut Street Grill menu announces the availability of the "Spa Menu Selections," but does not list them. "We didn't want the 'Spa Selections' to be a totally separate concept. The waitstaff verbally explains our spa preparation methods and how they apply to the regular items. This helps to incorporate them," manager Robin Ross points out.

Even operators who print their healthful menu choices rely on their waitstaff. "These are our frontline salespeople," emphasizes Darrell Sheaffer. Waitstaff training is part of the Ritz Carlton's "Fitness Cuisine" program. Other operators agree that servers must be aware of the rationale for promoting nutritious foods if they are to be enthusiastic.

Moreover, a nutrition program that is well-designed and well-promoted can be unintentionally sabotaged by an un-

RED SNAPPER CARIBBEAN

Serves 6

Ingredients

6 6-oz. red snapper filets
1 onion
1 bell pepper
½ cup water
6 oz. mozzarella cheese
4½ cups cooked spinach noodles

Preparation:

Chop onion and pepper coarsely. Cook in saucepan in water. Place fish in baking dish; cover with vegetables and bake in a 400°F oven until fish is done, approximately 10 minutes.

Top fish with cheese and broil until cheese melts.

Serve with spinach noodles.

Nutrient information per serving

Calories	393
Protein	48
Carbohydrates	32 gm
Fat	8 gm (18% of calories)
Sodium	250 mg
Cholesterol	96 mg

—*Chef Henry Cohen, Frontier Hotel, Las Vegas, NV*

CHICKEN BACCHUS SALAD

Serves 6

Ingredients:

6 4-oz. skinned chicken breasts
⅔ cup oil
⅓ cup fresh lemon juice
1 tspn. mixed salad herbs
1 cup strawberries
1 cup grapes
4 oz. alfalfa sprouts

Preparation:

Bake chicken. Let cool. Mix oil, lemon juice and herbs. Marinate chicken breasts in mixture overnight. Drain and serve on bed of alfalfa sprouts. Garnish with grapes and strawberries.

Nutrient information per serving

Calories	337
Protein	39 gm
Carbohydrates	25 gm
Fat	9 gm (24% of calories)
Sodium	85 mg
Cholesterol	96 mg

—*Chef Henry Cohen, Frontier Hotel, Las Vegas, NV* informed waitstaff. Knowledge of nutrition facts will help servers understand the importance of the program and will prepare them to properly answer patrons' questions. They should know the thrust of the nutrition program, i.e., to cut back salt, fat or calories. They should be knowledgeable about the ingredients used in the nutritious selections; the cooking method employed; the availability of special foods, such as reduced-calorie salad dressings or low-sodium soy sauce; and the chef's ability to accommodate special requests, such as preparing a dish without butter or salt. Finally, patrons interested in nutrition may solicit recommendations from the waitstaff.

Evaluation

Consistently, operators emphasize the need for review and evaluation of newly implemented nutrition concepts. "We've been pleased with the outcome of 'Light Balance,'" says Terrence Considine. "But, along with the rest of our menu, 'Light Balance' is due for a change."

Maisonette's management has tracked the popularity of "Svelte Cuisine." "Recently, it really has gained popularity," notes Comisar. "It's time to re-evaluate and maybe expand the selections for our repeat customers," he muses.

In sum

Restaurateurs who have successfully developed nutritious menu concepts have found them to be profitable. They maintain that between 10 to 30 percent of their orders are coming from these healthful sections. Joe Silvestri of Spumoni's says heart-healthy selections constitute at least 10 percent of his orders. "I encourage others to think about offering nutritious selections," he adds enthusiastically. ❑

Resources for developing nutritious menu concepts

There are plenty of useful resources available to restaurant operators who are interested in developing nutritious menu concepts. Here is a sampling.

Books and texts

□ **A Nutrition Guide for the Restaurateur.** 1986. National Restaurant Association, Washington, DC. This guide was developed specifically for restaurant operators who have minimal knowledge of nutrition. In addition to providing nutrition basics, the guide provides extensive lists of resources. Available from the association: $15.00 for members, $30.00 for non-members.

□ **American Heart Association Cookbook.** 1984. David McKay Co., NY. This comprehensive cookbook features recipes and tips that comply with the association's guidelines. ($15.95)

□ **Food Values of Portions Commonly Used.** 1980. Pennington & Church, Harper & Row, NY. This book lists the nutritive values (calories, fat, protein, cholesterol, etc.) of foods. It is useful for calculating the caloric content of recipes. ($15.00)

□ **Jane Brody's Nutrition Book.** 1981. Jane Brody, W.W. Norton & Co., NY. This book has been described as a book that "makes basic nutrition come alive" for the public. ($12.98)

□ **Pierre Franey's Low-Calorie Gourmet.** 1984. Pierre Franey, N.Y. Times Books, NY. Chef Franey features recipes lower not only in calories, but in fat and salt as well. ($14.95)

Courses

Below is a partial list of culinary schools and organizations that offer nutrition courses. Many junior community colleges that feature culinary programs are also incorporating courses on how to apply nutritional principles in a foodservice operation. Contact your local college or cooking school to determine if a nutrition course is available locally.

□ **American Culinary Federation (ACF),** P.O. Box 3466, St. Augustine, FL 32084; (904) 824-4468. The Culinary Federation has developed a nutrition course that is required for certification or recertification by the ACF. The nutrition course can be taken on a correspondence basis via 12 90-minute tapes. Some ACF chapters have organized classes to teach the nutrition course.

□ **Culinary Institute of America (CIA),** Hyde Park, NY 12538; (914) 452-9600. The Culinary Institute of America offers a number of continuing education courses for working professional chefs and cooks. Among these is a five-day nutrition course that covers the fundamentals of cooking food reduced in calories, sodium, fat and cholesterol.

□ **Johnson and Wales College, Department of Continuing Education,** 8 Abbott Park Place, Providence, RI 02903; (401) 456-1120. The nutrition course at Johnson and Wales is introductory, concentrating on nutrient requirements, food sources of nutrients and the effects of deficiencies. It is a three-credit course that can be taken during the week or on weekends.

□ **New York Restaurant School,** 27 West 34th St., New York, NY 10001; (212) 947-7097. Although a standard nutrition course is not offered, the New York Restaurant School offers courses such as, "Low-Calorie Italian Cuisine" and "Low-Calorie Dessert Making" which vary from semester to semester.

Consultants

American Dietetic Association, 430 North Michigan Ave., Chicago, IL 60611; (312) 280-5000. The American Dietetic Association maintains a directory of consulting nutritionists. Your state and local dietetic association or local hospital may also assist you in locating a registered dietitian.

□ **American Health Foundation,** 320 East 43rd St., New York, NY 10017; (212) 953-1900. The American Health Foundation is a non-profit organization devoted to the prevention of disease and the promotion of good health. The foundation's nutritionists have developed MENU MANHATTAN, a low-fat, low-calorie food concept for restaurants. The foundation's nutritionists will work with chefs and managers to implement MENU MANHATTAN on a fee-for-service basis.

□ **Rodale Food Consultants,** 33 East Minor St., Emmaus, PA 18049; (215) 967-5171. The Rodale Food Consultants, a division of Rodale Press, Inc., consists of nutritionists, food technologists, chefs, chemists and researchers. Their services include healthy food workshops, foodservice consultation and recipe development. They specialize in creative, nutritious food.

Fisher's Law #80

The art of asking questions

The longer one is in the managerial ranks, the more one realizes that one does not have all the answers. In large part, the managerial task is to get the answers needed to make the decisions. Because managers cannot get all the answers themselves, staff departments have been developed, employee meetings have been instituted, suggestion systems have been established, etc. An increasingly critical component of managerial success is the ability to 1) ask the right question and 2) ask it in such a way to elicit the most utilizable response possible. Here is an overview of different ways to formulate a question, together with a brief explanation of the conditions under which a particular method is best employed.

1. The factual question is the most direct questioning technique, and most of us use it most of the time. It answers the who, what, why, when, where and how. Common examples are: "Who gave you that information?" or "Where is the report that's due?" or "What is the end result of this action?"

The factual question, due to its directness, can place the respondent on the defensive, especially since such questions are usually curt, incisive and fundamental. The best uses for the factual question are in disciplinary situations when a refocus of the matter at hand is necessary, when there are gaps in what someone has reported, when time is short and when there is a need for staccato answers to staccato questions.

2. The option question is a questioning technique designed to force the respondent to make a choice, often based on alternatives known to both parties. The option question is non-threatening to most people, and it gives the employee maximum opportunity to "present a case." Common examples are: "If you had your choice, would you select project A or project B?" or "If you were going to recommend a course of action, which alternative would you select?"

The option question helps an employee develop his/her decision-making abilities because he/she has to think through the matter and take a stand. It also gives the questioner more information about the issue and can offer insight into the thought process of the employee.

3. The searching question is a technique to generalize a question and open it up to all possibilities. Common examples are: "In what ways can we improve our services?" or "How can we improve our productivity?" This technique elevates the question to a more general plane than does a specific question. It is designed to open the thinking of all present, while simultaneously securing group involvement, attention and commitment.

The searching question is an effective method in a group setting (for brainstorming sessions, for example), but it can be used one-on-one as well. It is non-threatening in that it is exploratory, and a single, direct, "right" answer is not necessarily expected.

4. The declarative question is a method of declaring a question to a respondent. It is direct. It forces an answer and usually gets at the heart of an issue. But it can be a discussion stopper. Common examples are: "Do you truly believe that action will lead to increasing profits?" or "Do I understand that you are firmly convinced all aspects of the matter have been made known?"

The declarative question can be used in an individual or group setting and can be a "summary" question, which leads directly to a pronouncement of the next steps to be taken. Because it is an emphatic questioning technique, it can be threatening to a respondent.

5. The participative question is designed to generate more questions and answers by the person or persons to whom it is addressed. Common examples are: "Would it be feasible to cut back on that expense?" or "Could we consider a totally new approach such as. . ." In this technique, the questioner has something in mind but floats the trial balloon to the respondent(s) to test the reaction. If the reaction is favorable, then the respondent(s) "buys into" the suggestion that was posed as a question.

The participative question is non-threatening and is best used when an organizational superior wants to "sell" employees on a decision rather than "tell" them of the decision.

6. The supposition question is a method designed to stimulate thinking in terms of contingencies. It raises the questions in the manner that forces the respondent(s) to look at things from the point of view of the opposition or competition. Common examples are: "If a competitor opens across the street, what actions should be set in motion?" or "If a recession occurs next year, what programs will we implement to counter it?" This type of question requires planning in order for a response to be forthcoming. Therefore, immediate answers should not be expected, but the question itself lays the groundwork for future action and responses.

7. The facilitator question is designed to get off the current issue and move on to something else. Common examples are: "Do I sense that we have agreement on that and can go on to the next item?" or "Can we conclude this discussion and address the next subject?" This technique assumes agreement on the part of the respondent(s), or at least temporary agreement, to go on to something else. (For example, "Can we leave this for now and come back to it later?")

The facilitator question can get a discussion out of a rut, and it is best employed when the superior senses a respondent's frustration or annoyance to a point where further discussion would be non-productive.

Fisher's Law #80: ***There are times when the question is more important than the answer!***

1987 outlook for wholesale food costs

This is a summary of USDA's 1987 forecast for wholesale food prices.

Low feed costs and positive producer returns should provide ample supplies of basic commodities in 1987, according to U.S. Department of Agriculture (USDA) economists speaking at the 63rd annual Agricultural Outlook Conference. Despite generous supplies, wholesale food costs are expected to increase at a faster pace this year than last. The overall rise, however, should still be moderate.

The National Restaurant Association is also forecasting a modest increase in wholesale food costs. In 1987, wholesale prices should post a 3.4 percent increase, up from the slight 1.6 percent increase recorded in the previous year. Contributing to this rise will be small jumps in wholesale prices of red meat and continued strong poultry prices. Somewhat higher vegetable and dairy prices are also expected. As wholesale costs push upwards, menu prices will also increase. However, competitive pressures should keep the rate near the 1986 level of 3.8 percent.

Beef

Beef production is forecast to fall nearly seven percent below the 1986 level. This decline should lead to only moderate wholesale price increases in 1987. First-quarter prices should average $62.00 to $68.00 per cwt. and rise to $63.00 to $69.00 per cwt. in the second quarter, up from $57.22 and $54.52 per cwt. one year ago. Prices may decline somewhat during the second half of this year, but they should remain above 1986 levels.

Pork

Higher pork prices and lower feed costs during the second half of 1986 helped reverse several years of low/negative returns for hog producers. However, this return to profitability is not expected to stimulate expansion until late 1987 as producers work to recover recent losses.

Wholesale pork prices are expected to average around $55.00 per cwt. this year, up from $51.50 in 1986. The increase will be due to higher year-over-year prices during the first six months of the year when supplies are expected to fall below 1986 levels. During the first quarter, the wholesale price of pork should be between $54.00 and $58.00 per cwt., and in the second quarter the price should be between $53.00 and $59.00 per cwt. These ranges are well above the $43.30 per cwt. and $47.23 per cwt. prices recorded during the first and second quarters of 1986. As supplies increase later in the year, prices are forecast to fall below 1986 levels, rounding out the year in the high $40s to low $50s.

Poultry

Broiler supplies are forecast to grow 6.3 percent in 1987 to 15.1 billion pounds. Restaurant demand for broiler products helped boost prices in 1986 to about 55.0 cents per pound for the year. Broiler wholesale prices should remain high early in 1987, but may drop in later months. Over the year, prices

Percent change in wholesale food costs

Average food costs rose slightly during the first 10 months of 1986

	1978 to 1979	1979 to 1980	1980 to 1981	1981 to 1982	1982 to 1983	1983 to 1984	1984 to 1985	10 mos. 1985 to 10 mos. 1986
Bakery products	10.0%	11.7%	8.3%	3.3%	3.2%	4.8%	4.9%	2.7%
Flour & cereal	12.4	12.3	−7.0	−5.3	1.1	1.8	0.5	−2.2
Beef & veal	24.7	3.2	−5.0	−0.8	−3.3	nc*	0.5	−8.6
Other meats	−2.8	−2.7	7.6	16.9	−8.7	−0.4	−0.7	9.9
Poultry & eggs	0.7	1.0	2.4	−6.7	3.2	12.0	−8.2	5.5
Fish & shellfish	22.6	−3.2	1.8	11.8	6.3	11.5	−3.4	11.0
Sugar & sweets	6.9	35.4	−2.9	−2.6	5.0	2.4	−1.1	1.3
Vegetables	2.0	7.5	22.6	−4.4	1.2	8.4	−7.2	−3.0
Fruits & juices	8.7	4.2	4.1	2.9	2.9	6.6	−2.8	−3.9
Beverages	0.8	0.8	−2.3	4.5	1.3	5.2	1.5	15.8
Dairy products	12.1	12.1	6.4	1.3	0.6	3.6	3.9	0.9
Fats & oils	6.4	6.4	2.1	−1.4	8.8	21.0	−6.1	−17.9
National Restaurant Association Food Cost Index[2]	**12.2%**	**5.0%**	**3.0%**	**2.5%**	**0.7%**	**5.0%**	**−2.2%**	**2.6%**
All food, Producer Price Index[1]	**9.5%**	**8.0%**	**3.1%**	**1.1%**	**1.1%**	**4.8%**	**−1.9%**	**1.2%**

nc: no change

[1] Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

[2] In December 1985 the index for flavored syrup was reduced to 1985 = 100. As a result, the National Restaurant Association's monthly Food Cost Index had to be revised in order to compare 1986 figures to 1985.

Source: *Producer Price Index*, Bureau of Labor Statistics; National Restaurant Association should range between 50.0 and 56.0 cents per pound.

In the first three months of last year, the wholesale price of broilers was 50.3 cents per pound. This year, the price is expected to be up 4.4 percent to 52.5 cents per pound. Second-quarter prices will likely match those registered in the first quarter of this year.

Turkey producers enjoyed good returns in 1986. Lower feed costs and continued heavy demand will likely boost production 15 to 17 percent in 1987, marking the second consecutive year of double-digit growth.

The wholesale price of turkey should be about 66.0 cents per pound this year, down from 71.0 cents per pound in 1986. Prices should range from 58.0 to 62.0 cents per pound during the first three months of the year and should rise to between 61.0 and 67.0 cents per pound in the second quarter. Increased demand for processed turkey and decreased red meat supplies should help support turkey prices for most of the year.

Eggs

Although producers will see lower feed costs in 1987, egg production is expected to match that of the past year due to slightly weaker demand. As demand lessens, prices are expected to slip.

Wholesale egg prices should average 66.0 cents per dozen in 1987, down nearly 6.4 percent from their 1986 average of 70.5 cents per dozen.

First-quarter egg prices should range from 66.0 to 70.0 cents per dozen, but prices are expected to edge down slightly in the second quarter to between 61.0 and 67.0 cents per dozen.

Dairy

Milk production may slip one to three percent below 1986 levels, reaching between 141 and 145 billion pounds. As supplies tighten early in the year, prices should move up to around $12.50 per cwt., 1.1 percent above the 1986 price of $12.37 per cwt. Second-quarter prices may slip to $11.85 per cwt. During the same period in 1986, the wholesale price of milk was $11.97 per cwt.

Smaller supplies of cream, butter and cheese should force slight increases in wholesale prices for these dairy products.

Fruits and vegetables

The 1986/87 growing season should bring larger supplies of citrus fruits, thereby decreasing wholesale prices. On the other hand, lower production levels of non-citrus fruits due to inclement weather in California may force prices up for these fruits.

Based on 1986 acreage estimates, output of commercial vegetables is expected to be lower than one year ago. Therefore, wholesale prices for vegetables, including potatoes, and dry edible beans are expected to rise modestly during the year.

—Kate Conroy

Correction

Numbers reported for takeout traffic at dinner on page 37 of the November 1986 issue of this magazine were inaccurate. Takeout traffic at dinner increased by 20.2 percent between 1982 and 1985, and its share of the market reached 41.0 percent in 1985 from 37.6 in 1982. Customer counts for on-premises dining rose by 4.2 percent during the four-year period. Off-premises dining accounted for more than one-fourth of all dinner sales in 1985 versus 22.2 percent in 1982.

Inside the takeout market

Although foodservice operators are capturing a greater share of the consumer food dollar—40.5 percent in 1984, compared to 36.0 percent in 1980—this increase does not necessarily mean that more seats are being occupied in restaurants. In fact, a large part of the increase can be attributed to recent growth in off-premises dining. CREST data reveal that between 1982 and 1985, customer traffic for off-premises dining increased nearly 12.0 percent. The increase in takeout traffic was more than two times as great as the traffic gain for on-premises dining.*

The takeout market depends primarily on traditional carryout—the kind that has been available from fast food restaurants and other types of establishments for years. In 1985, carryout, which involves picking up food inside the restaurant and then consuming the food elsewhere, accounted for 76 percent of off-premises customer occasions at quickservice places. According to CREST *Household Report* data, drive-thru captured nearly 20 percent of eater occasions, while delivery accounted for under four percent of all off-premises eater occasions.

Delivery is quickly gaining ground. From the 1985 summer quarter to the 1986 summer quarter, customer counts for delivery recorded increases of 20 to 45 percent. Undoubtedly, much of this growth comes from wider availability, and rising customer counts indicate consumers have welcomed the expansion. Drive-thru, which is found primarily at quickservice places, has also made healthy gains over the past 18 months. As more drive-thru windows and drive-thru only units crop up on the restaurant scene, it is likely that this segment of the takeout market will continue to make strides. Despite the heightened interest in delivery and drive-thru, carryout traffic has continued to post modest increases, suggesting that carryout will remain the largest part of the takeout market for some time to come.

Takeout customers are convenience-minded

A desire for convenience is propelling the expansion of the takeout market. Consumers who are among the most likely purchasers of takeout place the greatest value on convenience. A National Restaurant Association consumer survey conducted in 1985 provides the following profile of frequent takeout purchasers.

□ **18 to 34-year-olds.** Nearly 60 percent of adults between 18 and 24 years of age and about 55 percent of those between 25 and 34 years of age indicated they purchase restaurant meals to go two or more times a month.

□ **Singles and families with children.** One-half of

**In this article, "takeout" refers to both carryout and delivery.*

the single persons questioned said they frequently buy takeout food and beverages, and 46 percent of families with children under 18 opt for takeout two or more times a month.

□ **Households wherein the female head is employed full time.** At least five of 10 adults who live in households where the wife or mother works full time were found to frequently buy meals and snacks to go from restaurants.

□ **Households with annual incomes of $20,000 to $50,000.** More than 50 percent of the consumers from households with moderate to upper incomes reported purchasing takeout food and beverages two or more times a month. A similar profile emerges for consumers who cite time pressures as the reason for choosing fast food places. (See ***Restaurants USA,*** December 1986.)

Consumers turn to quickservice places for takeout

In their search for convenient takeout meals, consumers turn primarily to quickservice restaurants. CREST data reveal that 90 percent of all takeout occasions occur at quickservice places, and about six out of 10 quickservice customers choose to eat off-premises. Patronage of these restaurants is growing. Between the 1982 and 1986 summer quarters, customer counts for takeout at quickservice restaurants rose 21 percent. In contrast, traffic for on-premises dining increased 13 percent during this period.

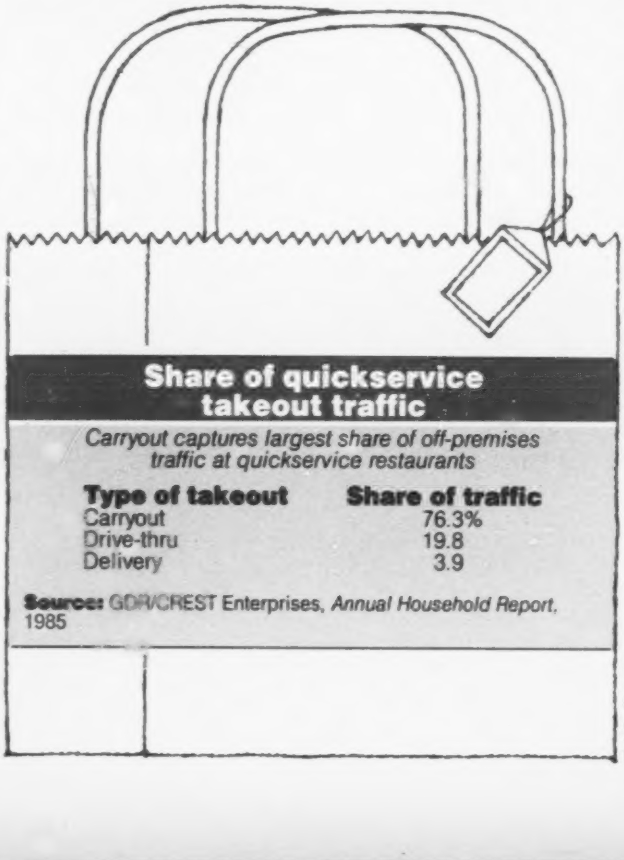
Within the quickservice group, some types of establishments have a larger stake in the takeout market than others. According to CREST data, hamburger and pizza places together garner close to one-half of all quickservice takeout traffic, with hamburger restaurants holding the leading edge at 30 percent. Other establishments that capture noteworthy shares include varied menu and chicken places, but less than 10 percent of all takeout occasions at quickservice restaurants occur at each of these types of restaurants.

Asian and Mexican quickservice units also have relatively small shares of the market, but customer traffic at these places—especially for off-premises dining—has made substantial gains over the past two years.

In recent years, midscale establishments have not enjoyed the same growth as have quickservice restaurants. Between 1982 and 1985, customer counts at these restaurants have decreased by about four percent, with customer counts for takeout falling by nearly seven percent.

A recent Gallup survey conducted for the National Restaurant Association suggests that although consumers are generally satisfied with their visits to midscale establishments, they do not associate these restaurants with time-pressured occasions. Instead, consumers who are in a hurry look to other types of establishments. (See the January 1987 issue of ***Restaurants USA*** for a closer look at the midscale dilemma.) Although offering takeout service may not be the only way for midscale operators to curb sliding customer counts, operators may want to investigate this alternative. Carryout, which is responsible for the majority of off-premises occasions, can be easy to add to an existing establishment.

Upscale operators have posted modest growth since 1982. Customer traffic for on-premises dining, which accounts for the vast majority of all eater occasions within the segment, rose by nearly nine percent between 1982 and 1985. Traffic for off-premises dining, on the other hand, declined by one percent in the four-year period.



Share of quickservice takeout traffic

Carryout captures largest share of off-premises traffic at quickservice restaurants

Type of takeout	Share of traffic
Carryout	76.3%
Drive-thru	19.8
Delivery	3.9

Source: GDR/CREST Enterprises, *Annual Household Report*, 1985

Trish Crowe

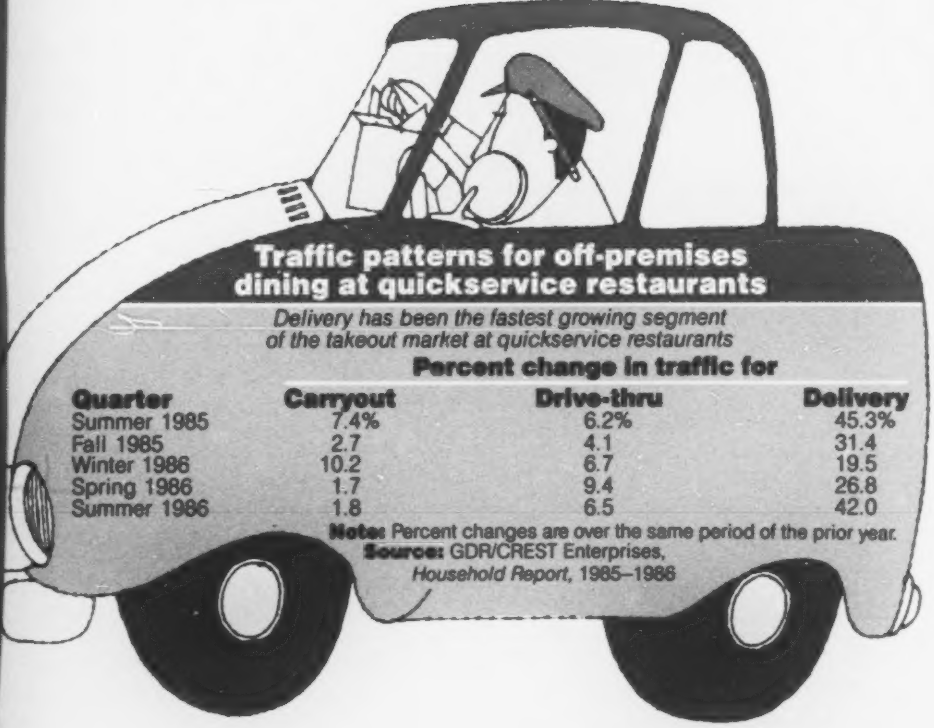
Although off-premises dining accounts for just over five percent of all customer traffic at upscale places, many operators have stepped up activity in this area. More upscale establishments are developing and promoting specialty takeout and/or delivery services to cater to time-pressured consumers. The challenge facing these operators, as well as those in the midscale sector, is to link their establishments with convenience in customers' minds.

Takeout most popular in the evening

Dinner is the most popular meal for takeout food and beverages. More than four out of 10 dinner patrons choose takeout, according to CREST *Household Report* data. At the midday meal, about 36 percent of all eater occasions involve takeout. At breakfast 32 percent of eater occasions are carryout, and the number is growing.

Thanks to the popularity of breakfast at fast food places, takeout has grown the fastest at the morning meal. Off-premises breakfast traffic rose a substantial 38.8 percent between 1982 and 1985. Consumers have also upped their consumption of takeout meals at dinner and lunch; traffic between 1982 and 1985 increased 20.2 and 5.2 percent, respectively.

According to National Restaurant Association research, 18 to 34-year-olds and singles are likely takeout purchasers at breakfast, lunch and dinner. Additionally, individuals who eat out at



Traffic patterns for off-premises dining at quickservice restaurants

Delivery has been the fastest growing segment of the takeout market at quickservice restaurants

Quarter	Percent change in traffic for Carryout	Drive-thru	Delivery
Summer 1985	7.4%	6.2%	45.3%
Fall 1985	2.7	4.1	31.4
Winter 1986	10.2	6.7	19.5
Spring 1986	1.7	9.4	26.8
Summer 1986	1.8	6.5	42.0

Note: Percent changes are over the same period of the prior year.
Source: GDR/CREST Enterprises, *Household Report*, 1985–1986

least once a week commonly purchase food and beverages to go in the morning, while households with a working wife or mother and those with annual household incomes of $25,000 are among those likely to opt for takeout at lunch.

Households with an employed female head are also among those that are likely users of takeout for the evening meal as are families with children and households with annual incomes of more than $35,000.

Restaurateurs are most likely to see high usage of takeout between Monday and Friday. However, those who choose to order breakfast to go frequently do so on Saturdays and Sundays. Most takeout orders are placed at a counter inside the restaurant, although drive-thru captures a sizable portion of takeout orders at breakfast and lunch. Those who purchase takeout for breakfast or lunch do so most often for personal consumption, whereas dinner to go is overwhelmingly purchased for an entire household.

Restaurant meals go home

If patrons are not eating inside restaurants, where are they eating? The vast majority of those who choose to have their meal to go take it home. From 1982 to 1985, customer traffic for restaurant meals and snacks purchased for off-premises consumption rose 12.0 percent. During this time, traffic for at-home consumption jumped 25.0 percent, outpacing that for takeout foods and beverages eaten at work or in the car. However, increasing numbers of drive-thru windows helped push customer counts for takeout meals eaten in the car up

Percent change in traffic by type of restaurant[1]

Quickservice restaurants captured the largest increase in off-premises traffic

	Total traffic	Off-premises traffic	On-premises traffic
Total restaurants			
82/83	2.7%	1.7%	3.4%
83/84	4.0	5.0	3.3
84/85	1.0	4.7	−1.3
85/86[2]	1.9	7.3	−1.7
Quickservice			
82/83	4.2%	2.4%	6.7%
83/84	4.6	5.2	3.9
84/85	4.4	5.9	2.5
85/86[2]	4.9	8.7	−0.2
Midscale			
82/83	−1.0%	−4.8%	−0.5%
83/84	2.5	4.1	2.3
84/85	−5.2	−6.0	−5.1
85/86[2]	−4.3	−6.5	−4.0
Upscale			
82/83	5.4%	−5.2%	6.0%
83/84	4.4	12.2	4.0
84/85	−1.8	−6.9	−1.5
85/86[2]	0.2	0.8	0.1

[1] Percent changes are over the same period of the prior year.
[2] Data cover only first three quarters. Please note that CREST has changed its procedures for processing some of the diary information it collects. A new "casual dining" segment has been added to the upscale segment. Included in this category is information for many eateries which were previously classified as midscale specialty or family-style restaurants. These changes may affect the comparability of 1985 and 1986 data, particularly the increases or decreases in midscale and upscale traffic.
Source: GDR/CREST Enterprises, *Household Report*, 1982–1986

over 5.0 percent between 1982 and 1985, and customer counts for consumption of meals to go at work edged up 1.3 percent.

Quickservice units have led the way in the expansion of takeout meals eaten at home. Of all quickservice eater occasions in 1985, nearly three out of 10 involved meals and snacks purchased for at-home consumption, up from one-fourth four years earlier—an increase of more than 26.0 percent.

Even in the midscale and upscale sectors, which have not registered strong gains in off-premises traffic, the at-home market has grown. Between 1982 and 1985, customer traffic for restaurant meals to be eaten at home climbed nearly 10.0 percent in the midscale sector and about five percent at upscale establishments.

Just over four percent of all eater occasions at midscale places were for takeout food and beverages purchased for at-home consumption in 1985. The takeout occasion share in the upscale sector was 2.6 percent. In fact, at upscale establishments the at-home market is the only real source of takeout traffic.

Takeout meals and snacks eaten at work account for about 3.5 percent of all traffic at midscale places, and those consumed in the car capture a scant 1.0 percent.

Hamburgers top choice for takeout

Not surprisingly, the foods consumers are most likely to purchase to go reflect the types of establishments that

A look at the competition for takeout sales

In any discussion of the takeout market, talk inevitably turns to grocery and convenience stores, which are aggressively pursuing consumers' away-from-home food dollars. Here is a quick update of recent changes within the retail sector:

☐ According to the National Association of Convenience Stores (NACS), 93 percent of all C-stores had microwaves in 1985, versus 88 percent in 1983; 95 percent offered fountain drinks, up from 78 percent in 1983; and seven in 10 provided a line of prepared foods, compared to 63 percent in 1983.

☐ A *Progressive Grocer* magazine survey reveals that nearly six out of 10 supermarkets now have a service delicatessen, compared to 48 percent five years ago. Twenty-three percent offer a self-service deli, and 42 percent offer hot food to go.

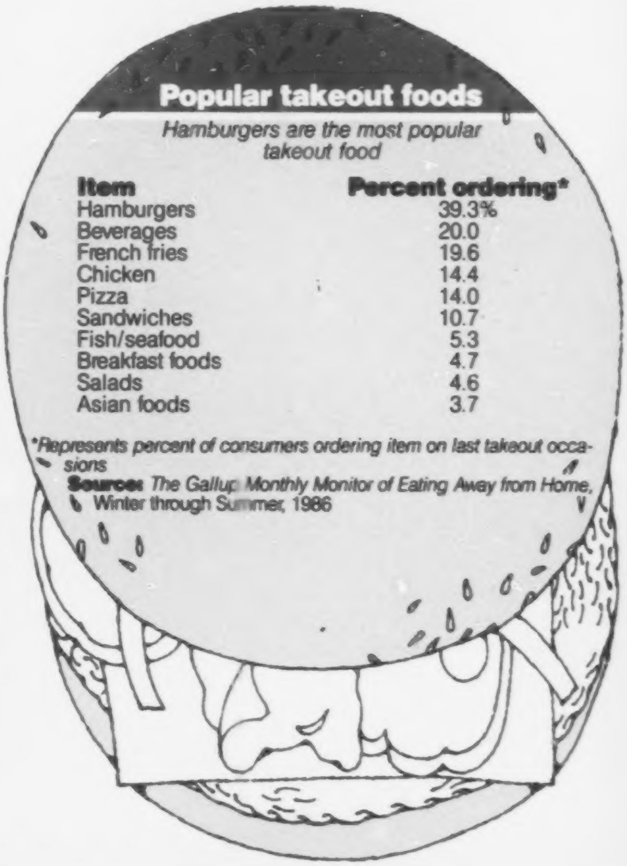
☐ The 1985 *Consumer Expenditure Survey* conducted by *Supermarket Business* magazine reports that service delis and in-store bakeries, both of which offer prepared foods to go, recorded the most dramatic increases in dollar shares of total store sales between 1984 and 1985. Additionally, the amount spent by an average household per week at in-store delis rose nearly 13 percent during that time.

☐ Nearly three-fourths of the consumers polled for an annual survey by the Food Marketing Institute said the supermarket where they do most of their shopping has a delicatessen or other carryout items. Of these consumers, one-fourth said they frequently make use of the service. About one-half of the respondents said a salad bar was available at their usual store, and 20 percent indicated frequent usage.

Foodservice, particularly takeout, has been targeted as a growth area by convenience and grocery stores. Although their efforts are no real secret to foodservice operators, it remains to be seen whether consumers will turn to them when they are looking for meals and snacks to go.

According to a 1985 Gallup survey, of all those consumers who purchased takeout, six percent did so at grocery stores, and a lesser three percent patronized C-stores. In contrast, 58 percent purchased takeout meals at fast food places and seven percent chose to go to family restaurants. Furthermore, CREST *Household Report* data reveal that in spite of increasing customer counts, retail stores' share of all quickservice takeout eater occasions is just over six percent, hamburger places hold a 30-percent share and pizza places capture about 20 percent of all off-premises traffic in the segment.

Grocery and C-stores do not appear to pose a significant threat in terms of total dollar volume. But, their effect is increasing as they become more involved in foodservice.



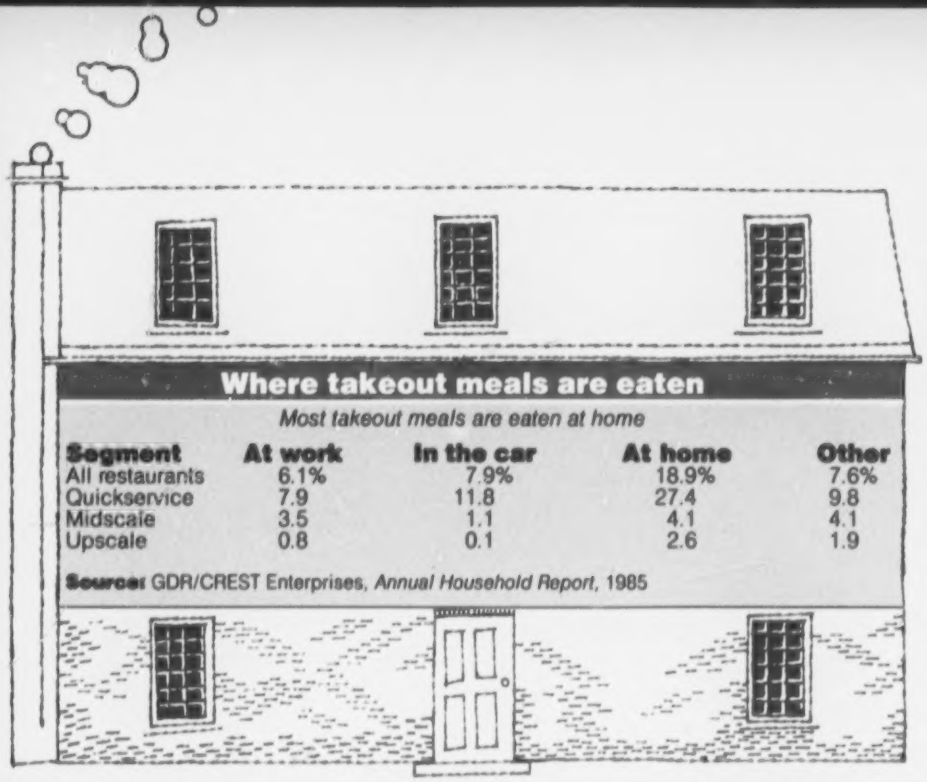
Popular takeout foods

Hamburgers are the most popular takeout food

Item	**Percent ordering***
Hamburgers	39.3%
Beverages	20.0
French fries	19.6
Chicken	14.4
Pizza	14.0
Sandwiches	10.7
Fish/seafood	5.3
Breakfast foods	4.7
Salads	4.6
Asian foods	3.7

*Represents percent of consumers ordering item on last takeout occasions

Source: *The Gallup Monthly Monitor of Eating Away from Home, Winter through Summer, 1986*



Where takeout meals are eaten

Most takeout meals are eaten at home

Segment	**At work**	**In the car**	**At home**	**Other**
All restaurants	6.1%	7.9%	18.9%	7.6%
Quickservice	7.9	11.8	27.4	9.8
Midscale	3.5	1.1	4.1	4.1
Upscale	0.8	0.1	2.6	1.9

Source: GDR/CREST Enterprises, *Annual Household Report*, 1985

enjoy the largest takeout business. According to a 1986 Gallup survey, hamburgers are purchased by nearly four out of 10 takeout customers, which makes them the most popular takeout item. The quickservice segment's dominance of the takeout market certainly contributes heavily to placing hamburgers in the number-one position. Beverages and french fries, also common fast food fare, rank second and third. Consumers who purchase restaurant meals to go are also likely to opt for chicken, pizza and sandwiches. Other menu items included in the survey show a five percent or smaller incidence of being chosen by those who purchased takeout foods last year.

A look ahead

Takeout should enjoy continued growth since the demographic changes that have altered lifestyles and made convenience a top priority are not expected to reverse themselves. Delivery and gourmet takeout are two segments of the takeout market which have recently come into focus that should enjoy especially healthy futures. The 1990s have been dubbed the "decade of delivery," and studies suggest this prediction may not be far off the mark. National Restaurant Association research reveals that about one-third of all consumers would take advantage of delivery if it was more readily available from restaurants. Further proof of the potential of delivery comes from the tremendous growth in the pizza segment since delivery has become a prime marketing tool.

Today's consumer is more sophisticated and has a discriminating palate that seeks quality, variety and unusual tastes. These upscale preferences, coupled with the desire for convenience, have given birth to gourmet takeout. Early signs suggest consumers are eager to give it a try. Patronage of specialty restaurants that offer gourmet, ready-to-eat takeout foods was up in 1986 over the prior year according to the National Restaurant Association/Gallup poll. In addition, when asked if they would take advantage of gourmet takeout meals if they were available, nearly three in 10 consumers responded favorably. Upscale operators may be in a unique position to capitalize on this trend since they may be more quickly associated with gourmet or specialty foods than other types of establishments.

Delivery and gourmet takeout are only two areas that are slated for growth. But, the takeout market is by no means limited to only these segments. Even now, restaurateurs in many other segments are exploring new approaches to catering to takeout purchasers—approaches that could prove to be profitable in our increasingly convenience-oriented society.

—Kate Conroy

Share of takeout traffic by meal period

Takeout is most popular at the evening meal

Meal period	**Share of total traffic that is for takeout**
Breakfast	32.1%
Lunch	35.9
Dinner	43.1

Note: Data cover first three quarters of 1986 only.
Source: GDR/CREST Enterprises, *Household Report*

Growth of takeout by meal period

Since 1982, takeout has grown the fastest at breakfast

	Percent changes in off-premises traffic[1]		
	Breakfast	**Lunch**	**Dinner**
1982/83	10.8%	−0.5%	3.4%
1983/84	9.9	4.5	10.4
1984/85	13.9	0.7	5.3
1985/86[2]	6.7	4.9	11.8

[1] Percent changes are over same period of prior year.
[2] Data cover only first three quarters. Please note: CREST has changed its procedures for processing some of the diary information it collects. A new "casual dining" segment has been added to the upscale segment. Included in this category is information for many eateries which were previously classified as midscale specialty or family-style restaurants. These changes may affect the comparability of 1985 and 1986 data, particularly the increases or decreases in midscale and upscale traffic.
Source: GDR/CREST Enterprises, *Household Report*, 1982–1986

Beef battles back

After decades of predominance, beef consumption dropped dramatically, from a peak of 94.4 pounds per capita in 1976 to 79.0 pounds per capita in 1986. In an effort to stem the tide, the beef industry is waging an all-out campaign.

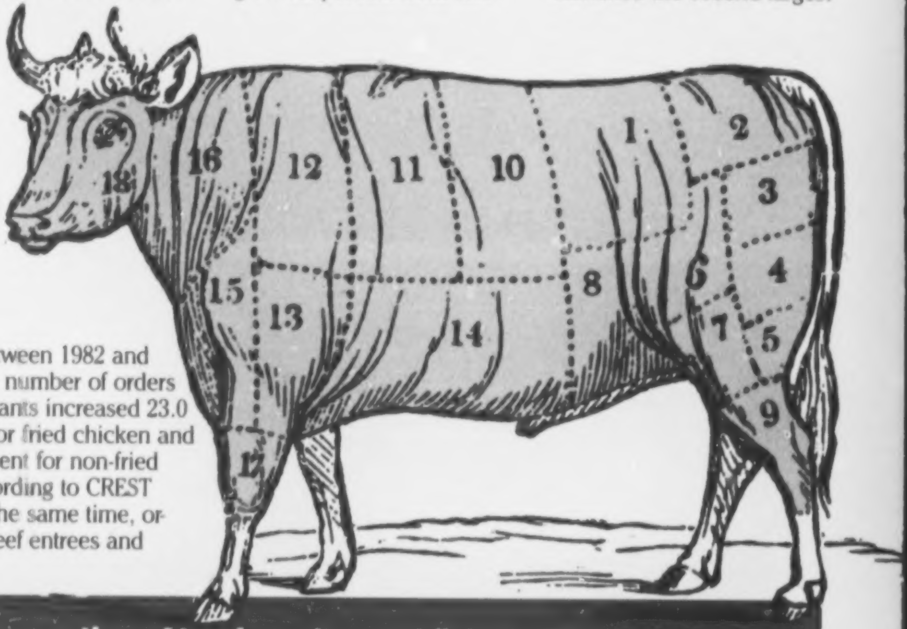
The beef industry has been going through abrupt changes over the past several years, and 1987 will be no exception. The lower price of poultry, plus consumer demand for low-fat, low-cholesterol meat, has reduced beef consumption. From genetically leaner cattle to leaner grades of beef to a national promotion campaign, the industry is determined to stage a comeback. Through such entities as the National Livestock and Meat Board (NLSMB), the beef industry is committed to increasing its presence in the retail and foodservice markets, and it is prepared to work with restaurant operators to maintain beef's position in the marketplace.

Placing additional beef items on menus is an important objective for the beef industry. With increased consumer concern about cholesterol and fat levels, beef has been challenged by poultry and fish entrees—even in steak house restaurants. Between 1982 and 1985, the number of orders at restaurants increased 23.0 percent for fried chicken and 46.0 percent for non-fried fish, according to CREST data. At the same time, orders of beef entrees and steak sandwiches faced decreases of 8.0 and 24.0 percent, respectively. Additional CREST data show that beef's share of all entree items ordered also fell, dropping from 8.2 percent in 1983 to 7.2 percent in 1985, with third-quarter 1986 data showing a further decline to 6.5 percent. That is not to say, however, that beef is being eliminated from restaurant menus.

Cheeseburgers' share of all sandwiches ordered in the third quarter of 1986 grew six percent from one year ago, continuing an upward trend. Hamburgers and cheeseburgers continue to dominate the sandwich category, accounting for 56.0 percent of all sandwich orders in 1985. Also, a recent Gallup survey concerning menu choices indicated that beef remains the most often chosen item in the meat and fowl category, with chicken in second place.

Beef industry develops promotion campaign

The beef industry recently launched the second-largest



Per capita consumption of beef, poultry and fish/shellfish
(pounds on a retail weight basis)

Beef consumption has dropped from its peak in the 1970s

Year	Beef	Broilers	Turkey	Total poultry	Fish/shellfish
1940	43.4	2.0	2.9	17.0	11.0
1950	50.1	8.7	4.1	24.7	11.8
1960	64.3	23.4	6.2	34.0	10.3
1970	84.0	36.8	8.0	48.4	11.8
1975	87.9	36.7	8.5	48.6	12.2
1980	76.5	47.0	10.5	60.6	12.8
1981	77.2	48.5	10.8	62.4	12.9
1982	77.2	49.9	10.8	63.8	12.3
1983	78.6	50.8	11.3	65.1	13.1
1984	78.5	52.9	11.4	67.0	13.7
1985	79.1	55.5	12.1	70.1	14.5
1986	79.0	57.1	13.5	73.4	N/A
1987[1]	73.8	60.3	15.8	78.7	N/A

[1] Estimated by the United State Department of Agriculture (USDA)

Source: USDA

Fastest growing and declining foods at restaurants

Steak sandwich consumption dropped significantly between 1982 and 1985

Menu Items	**Percent change in number of servings (1982–1985)**
Gainers	
Breakfast sandwiches	103%
Fish, not fried	46
Main-dish salads	38
Pizza	33
Rice	33
Large cheeseburgers	30
Fried chicken	23
Chinese/Asian items	23
Losers	
Steak sandwiches	−24%
Ham and cheese sandwiches	−19
Seafood	−17
Barbecue ribs	−15
Veal	−13
Pork	−10
Hot dogs	−9
Chicken sandwiches	−8
Beef	−8

Source: GDR/CREST Enterprises, *Annual Household Report*, 1982–1985

federally authorized promotion program which is expected to raise $70 million per year (see sidebar). It is concentrating its marketing and promotional efforts in four major areas: education, research, information and promotion.

The educational effort has focused on consumers, foodservice operators and retailers. Research findings which relate consumption of saturated fat and cholesterol to heart disease and a general trend toward greater personal fitness have made beef a focus of nutritional concerns. According to a Yankelovich, Skelly and White, Inc. study conducted in 1983 for the National Livestock and Meat Board, almost half of all primary shoppers surveyed said health was the leading factor affecting food purchase decisions. Although the study also indicated that not all those identifying themselves as health conscious actually cut down on meat consumption, it is still a major concern of the beef industry.

The National Consumer Retail Beef Study, sponsored by the National Cattlemen's Association, the United States Department of Agriculture (USDA) and Texas A&M, among others, examined consumer attitudes toward visible fat on beef cuts in several retail markets. After surveying test markets, the experimenters concluded that "leanness is a key factor in terms of improving the image of beef and increasing purchase appeal."

Following up on these research findings, the beef industry is beginning to tackle the health and nutrition issue on several different fronts. In the retail market, the industry's major effort has been the creation of the Meat Nutri-Facts Program, a successful campaign making use of point-of-purchase displays. Found in the meat section of grocery stores, the displays explain the nutritional content of selected three-ounce cuts of beef. According to the NLSMB, nine out of the top-10 supermarket chain stores (in terms of dollar sales) utilize the Meat Nutri-Facts Program.

The industry also plans to spread its "beef is good food" message to health-care professionals. It has developed brochures on nutrition, video education materials and technical workshops. Mary Adolf of the NLSMB believes that "the attitude on behalf of the health-care community is moderating."

Focus on foodservice operators

In addition to advertising to consumers on radio and television, the beef industry has utilized print advertising in foodservice industry trade publications to reach restaurateurs. It is scheduling seminars and distributing training books, tapes and recipes utilizing three ounces of beef. The beef industry objective is to educate restaurant operators about beef and extend menu offerings. NLSMB reports that beef menu penetration is now at 97 percent, but that there are many areas of the menu where beef has yet to appear in force. Because beef entrees have had to increasingly share the entree

"Select" versus "Good," USDA beef grading

Many in the meat industry are campaigning to change the name of the USDA "Good" grade to "Select" because "Select" is viewed as having a more positive connotation. About 65.5 percent of steer and heifer beef is graded by USDA. Of that 65.5 percent, 94.3 percent is graded "Choice" and 3.0 percent is graded "Prime." Since grading is voluntary and paid for by the packers, only a "Choice" or "Prime" grade is usually worth the expense. As a result, the majority of the "Good" quality beef is sold ungraded, referred to as no-roll beef. Retailers increasingly buy no-roll meat (often pretrimmed beef) from packing houses and add their own "Lean" and "Extra Lean" labels.

The USDA grades are based upon qualities that determine beef palatability, such as age and marbling. However, there is a distinct trade-off between palatability and leanness. The more tasty "Choice" grade has a higher fat and cholesterol content than the "Good" grade. With the emphasis on leanness, "Good" grade beef is being sold with that quality in mind, and the industry wishes to see the "Good" name changed to "Select" in order to increase consumer acceptance.

Still, packers will not be likely to get their beef graded "Select" unless there is consumer demand. Building demand for the "Select" label will necessitate consumer education and promotion.

section of menus with poultry and fish dishes, the beef industry has emphasized non-traditional beef dishes, such as appetizers and salads. The growing trend toward grazing—eating multiple, smaller dishes—has further motivated the industry to change beef's image as primarily an entree item.

Product and packaging innovation

Market research and product development are key areas of interest to the beef industry. The industry continues to study consumer attitudes toward beef, often discovering new marketing opportunities. This research has led to product innovation, such as precooked beef items. Though currently in the experimental stage, these items have high sales potential.

Packaging goes hand in hand with product development. Poultry producers have made life easier for the consumer, the retailer and the restaurateur through the use of innovative packaging. Red-meat packers have responded with vacuum packaging, portioned shipments, and one-third and one-half beef subprimals, a further division of a primal carcass section. Vacuum packaging, used for the majority of beef in foodservice, allows for a longer shelf life, while boxed subprimals, retail-trimmed and presliced, are ready to be cut into individual portions, displayed and cooked, thus saving production time and improving inventory control.

Trimming fat on beef cuts

In an attempt to combat the perception of beef as a fatty food, the industry has been reorienting itself toward leanness. One method is fat trimming. Beef cuts were traditionally displayed and sold with one-half to three-quarters of an inch of external fat. Consumer studies by the beef industry indicate that trimmed beef can stimulate sales as well as lower cholesterol and fat content. The studies also found that consumers judge leanness in beef by appearance in the absence of other product communication. As a result, retail stores are increasingly trimming external fat to one-quarter inch.

Foodservice operators also may find increased sales through the promotion and sale of leaner, less-fatty beef. In fact, the National Restaurant Association's study *Consumer Nutrition Concerns and Restaurant Choices* suggests that the majority of consumers are likely to try lean meats at restaurants.

Leaner cattle and branded beef

The industry is also reorienting itself toward leanness on the production level. Combining crossbreeding with leaner stock, less time in the feed lot and special diets, cattlemen are producing a new generation of cattle. These cattle not only have less fat, but also are producing higher yields, which means less waste in the packing houses.

An offshoot of the leanness trend in cattle is production of natural beef from steers raised without the use of hormones or antibiotics to combat health concerns over these additives. At present, natural beef is most often associated with branded beef, a product grown, slaughtered and marketed under a single brand name, much like poultry.

Branded beef emphasizes natural production, good taste and leanness, often achieved through crossbreeding with exotic, European cattle. This beef can be expensive, sometimes costing more than $20 per pound, trimmed, but there appears to be no lack of consumer demand. Excellent sales have been reported around the country, bringing more cattlemen into the branded beef market.

Besides a healthful, quality image, other advantages for cattlemen exist with the branded beef product. Its development has created a production system wherein the cattleman markets his own herd. If he chooses to package his own beef, he is unencumbered by the limits of packaging at retail operations, allowing himself the opportunity to target specific markets and restaurant opportunities. At present, however, branded beef relies on its quality image to sell itself to restaurant patrons and supermarket shoppers.

In sum

The beef industry is working on all fronts to rebuild beef as the consumers' top choice for protein.

—Laurence Greenberg

Beef industry ad campaign takes off

For the first time ever, the beef industry is launching a prime-time, national television, radio and print advertising campaign which features Hollywood personalities Cybill Shepherd and James Garner as spokespeople. The new ad campaign, started in January 1987, is part of the new federally authorized beef promotion program.

Administered by the U.S. Department of Agriculture (USDA) and run by the beef industry through the Cattlemen's Beef Board, the 22-month-long program is expected to raise $70 million per year. The funding is to come from a one-dollar surcharge levied against each head of cattle, each time it is sold along its production route. Half of each dollar will go to the Cattlemen's Beef Board, and the other half will go to the local beef promotion organization representing the state where the sale occurred.

The $35 million in revenue will almost triple the 1985 national promotions' budget of $12 million. Of that $35 million, the majority of the money will be spent on the national ad campaign, with the remaining $10 million earmarked for other promotional activities. These include promotions for the retail and foodservice markets as well as public relations and research expenditures.

Promotions in the foodservice market will total approximately $1.8 million, of which about $800,000 is budgeted for advertising in foodservice trade magazines. The outlay for the foodservice market represents five percent of the total budget.

1 NEW ENGLAND

Location: Pine Meadow, CT
Association member: Michael Dileo
Operation: 6 D's Restaurant
Profile: Fullservice family restaurant
In business: 17 years
Seats: 135
Meals served: Breakfast, lunch, dinner

At 6 D's, a moderately priced family restaurant in Pine Meadow, CT, traffic has been "very strong." In fact, says owner **Michael Dileo,** business is up 70 percent over last year. He cites two reasons for the increase: a comprehensive renovation last year and the area's strong economy.

6 D's varied menu of homemade items includes seafood and Italian specialties. One of the most popular specials is a hefty plate of spaghetti and meatballs, which is served with salad and rolls for $3.99.

All is not roses, however, at 6 D's. Like many other area operators, Dileo sees one lingering drawback to the area's thriving economy: a serious labor shortage, especially for kitchen help.

In response to the labor shortage, does he think operators will be extending more benefits to employees? "Menu prices would have to increase tremendously," Dileo says. He currently offers all full-time employees the opportunity to buy into a group health plan, "but not too many take advantage of it," he reports.

2 MID ATLANTIC

Location: Hoboken, NJ
Association member: Arthur McGreevy
Operation: Arthur's Tavern
Profile: Fullservice steak house
In business: 1 year
Seats: 410
Meals served: Lunch, dinner

At Arthur's Tavern, up the street from the Hudson River in Hoboken, NJ, "business is excellent." General manager **Dick McCarthy** attributes the one-year-old steak house's popularity to the booming development in the area.

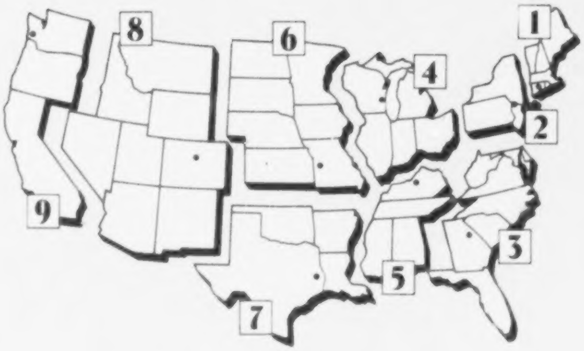
Arthur's specializes in 24-ounce Delmonico steaks that sell for $8.95, and the restaurant serves 1,500 to 2,000 each week. Live jazz is featured nightly, and bar sales account for nearly 50 percent of total receipts. One of the reasons bar sales are so high, says McCarthy, is that most of the customers use public transportation and, therefore, do not have to drive after drinking.

Like many restaurant workers in the New York area, many of the hourly employees at Arthur's are aspiring models and actors. They are offered no benefits, says McCarthy, but "flexibility with their schedules is one of the special things they receive."

3 SOUTH ATLANTIC

Location: Athens, GA
Association member: Wilson Elder
Operation: The Varsity Drive-in
Profile: Fast food drive-in
In business: 58 years
Seats: 140
Meals served: Breakfast, lunch, dinner

Business is as steady as ever at The Varsity, a drive-in, drive-up fast food restaurant in Athens, GA. Sister restaurant to the two famous Varsities in Atlanta, GA, the Athens Varsity draws much of its business and labor force from the nearby University of Georgia.



The Varsity, says manager **Wilson Elder,** "offers people a popular alternative to the highly structured fast food industry." An example of The Varsity's uniqueness is the lingo used by the countermen as they relay orders to the kitchen. A plain hamburger is called a "naked steak," a burger with lettuce, tomato and mayonnaise is called a "Sally Rand, through the garden" and a Coke is called a "skeet."

The Varsity does share at least one trait with other fast food restaurants: a high employee turnover rate. To encourage employees to stay, The Varsity offers full-time employees, with a designated amount of experience, free insurance, paid vacations and annual bonuses based on performance. In addition, students who work while attending the university can take advantage of a savings/bonus program that entitles them to a cash bonus when they graduate.

4 EAST NORTH CENTRAL

Location: Milwaukee, WI
Association members: James Pandl, Amy Pandl, Kathleen Pandl, George Pandl
Operation: George Pandl's in Bayside Inc.
Profile: Fullservice family restaurant
In business: 19 years
Seats: 225
Meals served: Lunch, dinner

"The local economy seems to be coming around," says manager **Jim Pandl,** "but it's my gut feeling that people still don't feel too secure." Nonetheless, business at George Pandl's in Bayside is extremely good, thanks to an extensive springtime remodeling and the restaurant's loyal local following.

Pandl's serves a full and varied menu which emphasizes fresh ingredients. Whitefish is one of the most popular dishes, and, like most of Pandl's seafood, it is brought in daily by U.P.S. from Florida.

Although Pandl's is located in the northernmost suburb of Milwaukee, management relies heavily on workers from the inner city. "Reliable local help is difficult to find," says Pandl. "Kids won't do dishes anymore." To help with transportation, workers are paid one dollar for each employee they drive home.

All full-time employees receive paid vacations and are given the opportunity to buy into a group insurance plan.

5 EAST SOUTH CENTRAL

Location: Louisville, KY
Association member: W. Howard Poole

Operation: Dizzy Whizz Restaurant
Profile: Drive-in fast food
In business: 40 years
Seats: 40
Meals served: Breakfast, lunch, dinner

"Business has been up lately," says **Howard Poole,** owner of Louisville's Dizzy Whizz Restaurant. The local economy is forcing people to trade down to less expensive restaurants which has boosted traffic at Poole's quickservice drive in.

Dizzy Whizz's menu—burgers, sandwiches, fries and shakes—does not set the restaurant apart from its fast food competition. Poole's philosophy, however, does. "I think there's still room," he says, "for a quickservice independent who does things a little bit differently." Poole's customers enjoy friendly curb service—a waitress takes orders and delivers the food to each car.

When it comes to managing his employees, "We treat them," Poole says, "as we'd like to be treated ourselves." As a result, the restaurant's 25 employees have a combined 321 years of service with the company. All full-time employees receive paid vacations and they also have access to an informal, interest-free loan service. "I probably went through $3,000 or more this Christmas," Poole says. "But I haven't lost $500 in the last 40 years."

6 WEST NORTH CENTRAL

Location: Kansas City, MO
Association member: Don F. Lee
Operation: Savoy Grill
Profile: Fullservice restaurant
In business: 84 years
Seats: 520
Meals served: Lunch, dinner

"Tradition" is the word that best sums up Savoy Grill, an 84-year-old Kansas City restaurant that has never followed trends. The decor has seen only one change in 26 years, and the menu has maintained its original concentration on fresh steaks and seafoods prepared in a simple manner. "We learned a long time ago that people like things simple," says manager **Mike Sparks.** "Our business is great."

The owner of Savoy Grill believes that "if you give your employees a reason to stay, they will." The company contributes to profit-sharing and retirement plans for all full-time employees. In addition, after six months, all full-time employees receive full medical and life insurance. The generous benefits, says Sparks, result in a low turnover rate. The average tenure for Savoy's waitstaff is more than six years.

7 WEST SOUTH CENTRAL

Location: Beaumont, TX
Association member: B.L. Northen
Operation: Boondocks
Profile: Country dinnerhouse
In business: 14 years
Seats: 185
Meals served: Tuesday–Friday, dinner only; Saturday and Sunday, lunch and dinner

"The economy of Texas is not too good right now, but we're holding our own," says **Mae Northen,** owner of Boondocks, a rustic country restaurant, located 20 miles outside of Beaumont.

Although Boondocks' chicken fried steak has been ranked among the top 10 in Texas, the real house specialty is catfish. But customers make the trip to Boondocks for more than the food: They enjoy the natural entertainment. Throughout the year, raccoons and possums frolic on the restaurant's patio, and, during the spring and summer, customers enjoy feeding hush puppies to alligators that congregate in the bayou near the restaurant's deck.

Boondocks' nearly 30 employees receive no benefits. In the past, Northen offered group insurance, but she was forced to drop the policy when rates skyrocketed.

8 MOUNTAIN

Location: Denver, CO
Association members: Paul Hutchens, Erik Hegstrom, Lili Weese, Brian Morris
Operation: Rick's Cafe
Profile: Fullservice fern bar
In business: 10 years
Seats: 185 winter; 235 summer
Meals served: Lunch, dinner

The lunch and dinner traffic at Rick's Cafe has remained fairly steady, says co-owner **Peter Simonson,** even though Denver's economy "is not what it was 10 years ago." The cafe's bar business, however, has been hurt by stricter drinking laws and a gradual slowdown in the city's social climate.

Located in the east-central part of the city, Rick's was one of Denver's original fern bars. The cafe's light menu attracts a 25 to 40-year-old crowd. Specialties include the *Pollorito,* a chicken burrito, and *Stew in a Loaf,* which consists of beef served in a hollowed-out, round loaf of shepherd's bread. Homemade cream pies are popular for dessert.

All full-time employees who have been with Rick's for at least six months are eligible for group medical and dental coverage. The insurance is prorated so that the longer the employee works at Rick's, the larger the percentage of coverage the restaurant pays.

9 PACIFIC

Location: Aberdeen, WA
Association members: Lowell Bridges, Alec Takagi, Frank Valley
Operation: Bridges Restaurant
Profile: Fullservice upscale restaurant
In business: 20 years
Seats: 240
Meals served: Lunch, dinner

Washington's coastal economy has been hurt, says Bridges Restaurant manager **Karen Brunstad,** by the slowdown in the fishing and logging industries. Bridges, however, has been able to maintain a brisk level of business because of strong tourist traffic, loyal local customers and a recent remodeling that added an airy, 45-seat solarium.

Bridges is located near Gray's Harbor in Aberdeen, a town of nearly 18,000. The restaurant is well-known in the harbor area for its prime ribs and seafood as well as its chicken and pasta. Recently, says Brunstad, the chef has been spicing up the menu with some well-received Southwestern dishes, such as blackened fish and Cajun fettuccine.

Bridges' owners have done an effective job of creating a comfortable, family atmosphere for the restaurant's employees. "Many of our people have been with us a long time," says Brunstad. "They're very content here." All full-time employees receive free medical coverage as well as paid vacations.

—David Slater

Overseas for a job well done

To reward employees for a job well done, the owners of Tosi's, a Northern Italian restaurant in Stevensville, MI, took 20 of their employees to Italy in January 1986. The trip turned out to be such a success that the owners, Charles and Ginger Mostov, plan to make the outing a yearly affair.

"This year, we'll take a small group of cooks and managers," says Charles Mostov, "and at least every other year we'd like to take a large group—if, of course, we've had a good year."

The trips are tailored to correspond with the employees' responsibilities at the restaurant. The cooks, for example, spend time in kitchens and learn some new dishes, and the members of the waitstaff visit wineries to learn about wine and food pairing.

"The trip has really turned out to be beneficial to everyone," says Mostov. "Now there's an extra incentive to having a good year at the restaurant, and the trip itself is fun and educational at the same time. It's a nice job benefit."

—**Restaurants USA** *interview*

Off the beaten path

The Chalet at Alpine Meadows, Lake Tahoe, CA, offers seven wines by the glass and 20 different types of beer, but owner Dan Buchard never worries about his customers driving after drinking. The homey, 45-seat operation is situated halfway up a mountain and is accessible only to skiers.

But for 15 years, chilled and hungry skiers have flocked to The Chalet to warm themselves by the fireplace with homemade chili, soups and sandwiches. Located on National Forest Service land, the restaurant is strictly a wintertime operation, dependent upon the skiers who are drawn to the mountain. Buchard, however, is negotiating to bring horseback riders to The Chalet for barbecues in the summer.

—**Restaurants USA** *interview*

Blue potatoes, avocado oil

There are a couple of intriguing newcomers heading for gourmet shop shelves: Swedish blue potatoes and avocado oil.

Food experts have long considered blue to be the least appetizing of all colors because there are so few blue-colored items in nature that are edible. Now, however, hot on the tails of the recently introduced blue corn, are Swedish blue potatoes which have been turning up in markets on both coasts. The spuds taste just like their small red cousins, but their jackets and pulp are blue.

The avocado oil, created by AvoFoods of Santa Clara, CA, has been praised by Julia Child for its subtle flavor and high smoking point, which makes it ideal for stir-frying. She also likes the oil as an ingredient in salad dressings and on fish.

Heart patients and diet-conscious people will be glad to know that avocado oil, like olive oil, is monounsaturated and contains about the same amount of calories as regular vegetable oil. The oil is selling for about $6 for a 13-ounce bottle. This might seem expensive until you realize that 16 pounds of avocados are needed to yield that quantity of the gold-green oil.

—Bon Apetit, Washington Times

Revelers get a free ride home

There may not have been a free lunch, but there was a free ride—at least in Chicago this New Year's Eve.

The money slots on all Chicago Transit Authority rapid transit trains and buses were covered from 8:00 p.m. to 6:00 a.m. through the New Year's Eve celebrations, courtesy of the Illinois Restaurant Association and the Chicago Transit Authority.

The free rides were made possible after the Chicago Transit Authority Board passed a special ordinance authorizing penny fares for public transportation on New Year's Eve. The Illinois Restaurant Association offered to pick up the penny tab per rider to support the nationwide "Don't Drink and Drive" campaign.

An estimated 200,000 New Year's Eve revelers kept away from the steering wheel and opted for the chauffeured ride home.

Mixed drinks mix well with food

The liquor industry has taken a cue from the wine industry: It is promoting liquor as an accompanying beverage with food. Some combinations include gin and tonic with fish, scotch and water with roast beef and a rum spritzer with veal.

The promotion is part of a new program the Distilled Spirits Council of the United States, Inc. (DISCUS) has introduced to offset a 15-percent decline in liquor sales since 1975. The program, which is the first generic liquor-marketing campaign, promotes liquor in an upbeat and positive fashion.

In support of the "Good Spirits, Good Sense" program, DISCUS representatives will attend trade shows, organize materials to promote liquor sales and work with foodservice industry leaders to come up with new ways to increase check sizes.

To learn more about the "Good Spirits, Good Sense" program or to receive the free liquor and food pairing brochure, operators should write DISCUS, P.O. Box 32275, Washington, DC, 20007.

—Distilled Spirits Council of the United States, Inc.

Doing what you like to do…
job security…unlimited potential…you find it all in the special world of America's Hospitality Industry.

SOMETHING FOR EVERYONE!

OURS IS A SPECIAL WORLD!!
AMERICA'S
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Ours is a Special World…America's Hospitality Industry

This promotion has a message for your employees as well as for prospective foodservice employees. You have the opportunity to introduce this morale boosting campaign in your establishment. For more information call the **National Restaurant Association 800/424-5156.**

"Ours Is A Special World!" and "America's Hospitality Industry" are service marks of the National Restaurant Association and used by related hospitality associations.

FRANCHISING ■ SUBSTANCE ABUSE ■ MURALS

THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION

VOL. 7 □ NO. 3 □ MARCH 1987

RESTAURANTS USA

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3/12/87

OPEN
A WINDOW
TO PROFIT

DRIVE THRU

ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management
3/19 Boston, MA
4/15 Pittsburgh, PA
4/28 Montgomery, AL
5/11 Lancaster, PA
5/13 Tulsa, OK
5/17 Chicago, IL

Increasing Sales: Effective Front-of-the-House Management*
3/31 Portsmouth, NH
4/2 Newark, NJ
4/26 Boston, MA
5/4 Springfield, VA
5/6 Atlanta, GA
5/17 Chicago, IL
**Formerly Dining Room Management: Sales and Service*

Kitchen Management
4/9 Savannah, GA
4/15 Knoxville, TN
5/5 Worcester, MA
5/6 Concord, NH
5/16 Chicago, IL

People-Power and Profits
4/9 Richmond, VA

Tools for Training
3/19 Los Angeles, CA
3/20 Burlingame, CA
4/13 Virginia Beach, VA
4/14 Rockville, MD
5/16 Chicago, IL

Food Production Courses

Perfecting Your Culinary Skills
3/24 St. Paul, MN
4/14 Louisville, KY

Simplified Baking Workshop
3/24 Atlantic City, NJ
4/2 Des Moines, IA
4/21 Oklahoma City, OK
5/6 Minneapolis, MN

Soups and Sauces
4/7 Schiller Park, IL
4/8 Cleveland, OH

Foodservice Management Courses

Banquet Management
4/7 Long Island, NY
4/22 Cincinnati, OH
5/17 Chicago, IL

Beverage Management
3/30–31 King of Prussia, PA
4/22–23 Bloomington, MN
5/5–6 Annapolis, MD
5/16–17 Chicago, IL

Coping with the Personal Demands of Foodservice Management*
3/25 San Antonio, TX
3/26 Dallas, TX
4/8 Detroit, MI
4/9 Milwaukee, WI
5/16 Chicago, IL
**Formerly Stress and Foodservice*

Food Cost Management
3/24 Pittsburgh, PA
4/21 Indianapolis, IN
4/28 Raleigh, NC
5/6 Appleton, WI
5/16 Chicago, IL

Foodservice Operators' Legal Workshop
4/1 Newport, RI
4/22 Omaha, NE
5/4 Columbia, SC
5/17 Chicago, IL

Menus That Sell!
3/24 Calgary, Alberta, Canada
3/25 Edmonton, Alberta, Canada
4/27 Ft. Collins, CO
4/29 Burlingame, CA
5/17 Chicago, IL

Negotiating for, and Financing, Foodservice Facilities
3/19–20 Springfield, VA
5/16–17 Chicago, IL

Off-Premises Catering
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4/6–7 St. Louis, MO
5/11–12 Vancouver, B.C., Canada
5/16–17 Chicago, IL

Operational Analysis
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5/4–5 Charlotte, NC

Planning and Implementing Restaurant Marketing Strategy
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4/21–22 Hartford, CT
5/16–17 Chicago, IL

Planning Successful Buffets
3/23 Tampa, FL
4/6 Baltimore, MD
5/4 Lansing, MI
5/11 Williamsburg, VA

Profitability
3/24 Madison, WI

Real Estate and Restaurant Site Selection
4/21–22 Hilton Head, SC
5/16–17 Chicago, IL

Restaurant Design and Facilities Planning
3/25–26 Chicago, IL
4/13–14 Dallas, TX

S.A.F.E.
5/7 Cherry Hill, NJ
5/16 Chicago, IL

Wine and the Bottom Line
4/7 Portland, ME

NATIONAL CONFERENCES

Conference on Planning and Financing Restaurant Growth
4/5–8 Los Angeles, CA

For more information, contact
National Restaurant Association
Education Programs
311 First St., N.W.
Washington, DC 20001
(800) 424-5156 or
(202) 638-6100.

If your company is interested in In-house Programs, call or write to the attention of Ed O'Hare.

STUDY GROUP MEETINGS

Financial Officers
4/1–3 San Diego, CA

Tax Executives
4/1–3 San Diego, CA

MIS (formerly EDP)
4/7–12 Orlando, FL

Internal Audit
4/21–24 Orlando, FL

Quality Assurance
4/22–24 Denver, CO

MAECO
5/13–15 Chicago, IL

Marketing Executives
5/13–16 Chicago, IL

Foodservice Purchasing Managers
5/14–15 Chicago, IL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

Published by the National Restaurant Association

RESTAURANTS USA
VOL. 7 NO. 3 MARCH 1987

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Restaurants USA (ISSN 0465-7004) is published monthly, except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. $25 of membership dues includes a one-year subscription to ***Restaurants USA.*** The non-member subscription fee is $125 per year. Second-class postage paid at Washington, DC 20001 and additional mailing offices. Copyright © NRA 1987. Postmaster, send address change to ***Restaurants USA***, 311 First St., N.W., Washington, DC 20001.

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PRESIDENT'S REPORT

G. "Jim" Hasslocher, President
Frontier Enterprises, San Antonio, TX

Association to fight nutrition ingredient labeling

Your Board of Directors convened in Florida last month for its annual winter meeting. A number of resolutions came out of the meeting—resolutions that will strengthen your association's role as educator, promoter and protector of the foodservice industry.

Foremost on the agenda was passage of a resolution to develop association guidelines regarding nutrition and ingredient disclosure. A proposal calling for mandatory ingredient and nutrition labeling has already been introduced in the House of Representatives this year, and we anticipate that a similar bill will be introduced in the Senate. By establishing our own guidelines on how restaurateurs can respond to consumer inquiries for ingredient and nutritional information, we will demonstrate that mandatory proposals would be unnecessary and unfair.

All association members will receive a booklet outlining these guidelines later this month. The guidelines will also be mailed to state restaurant associations, along with additional materials supporting arguments against mandatory labeling. These materials should help the states fight any mandatory labeling bills that appear on the state and local level.

Board passes anti-FICA resolution

A resolution opposing F.I.C.A. taxes on tip income, as proposed in President Reagan's budget, was also passed at the Board meeting. Association representatives have already met with key Congressional representatives involved in budget planning. The association opposes this proposal because it imposes an unjust payroll tax on non-payroll income. We will continue to monitor this issue closely.

Association opposes minimum wage hike

Rounding out its busy agenda, the Board also voted to oppose three Congressional proposals calling for an increase in the minimum wage. Such an increase would have a detrimental effect on the nation's economy because it would trigger an increase in both inflation and unemployment. And as the largest employer of the primary minimum wage earners—teenagers, the foodservice industry would be hardest hit. Again, this is a priority issue which your association will monitor closely in Washington.

International culinary competition at the Show

Preparations for the 68th National Restaurant Association Restaurant, Hotel-Motel Show, now only two months away, were approved at the Board meeting. This year's "Show of Shows" promises to be the best ever. In addition to the traditional, time-honored events Show-goers look forward to each year, this year's Show marks the inauguration of an event I find particularly exciting—the American Culinary Classic. It is the first international culinary competition ever held in the United States. Billed as the "miniature culinary olympics," this competition will pit the U.S. Culinary Team against 11 other countries in a hot and cold food competition. Countries already scheduled to compete include Germany, Italy and Singapore. More than any other event, the American Culinary Classic will prepare these teams for the International Culinary Competition to be held in Frankfurt in 1988.

"Salute to Excellence" dinner to showcase industry greats

Another event at this year's Show you will not want to miss is the "Salute to Excellence" dinner, to be held Tuesday evening, May 19, at the Chicago Hilton. This dinner will showcase professionalism and quality education in the foodservice industry. Featured will be the American Culinary Classic first place winners, the champion vintners of the National Restaurant Association Wine Classic, as well as restaurateurs, chefs and other leaders who have made lasting contributions to the foodservice industry.

I look forward to seeing all of you at the Show in Chicago. Plan now to attend from May 17 to May 20. Next month's issue of *Restaurants USA*, will carry a complete preview of many exciting events.

Association enters into joint membership agreements

I welcome the memberships of the Pennsylvania Restaurant Association and the Oregon Restaurant and Hospitality Association. As of January 1 of this year, these associations have entered into joint membership with the National Restaurant Association, providing for the exchange of membership information and dues revenue between our associations. We view these agreements as a crucial step in cementing the vital relationship between the national and state associations.

Finally, be sure to review two new association publications on their way to you this month.

Publications examine crisis management, substance abuse

The Foodservice Operator's Crisis Management Manual is now available. This booklet advises operators on how to respond to sudden disaster, such as illness, violence or accidents. Copies of this report have already been sent to key association members. Additional copies are available through the association publications department in Washington.

And the next Current Issues Report, focusing on the important topic of substance abuse in the workplace, is already at the "blue line" stage. Key association members will receive copies later this month.

During February, 145 foodservice operators and allied suppliers joined us as members of the National Restaurant Association. Welcome. Your participation in the association will make your business grow and will make the association more effective in your behalf.

Sincerely,

G. Jim Hasslocher

G. "Jim" Hasslocher
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: DRIVE-THRUS

10 Consumers of all ages and lifestyles, from teenagers to business executives, are picking up meals at drive-thru windows. Although drive-thru service has been an American tradition since the 1920s, the popularity of this concept has skyrocketed. Both large chains (with traditional service windows) and mushrooming drive-thru-only units are reporting increases in sales.

SPECIALS

14 Franchise innovations from the field

Reversing traditional roles, franchisees are teaching franchisors. They are planting the seeds for franchise innovations by speaking up and sharing their experiences and insights.

18 Job responsibilities of multi-unit managers

This first *Leaders of Learning* report, a new column which focuses on what leading foodservice educators are thinking and saying, outlines the often misunderstood job of a multi-unit manager.

20 Franchise fun facts

What do *Roots*, an overweight child and a Texas County Fair have in common? Test your franchise I.Q. with this quiz about franchise beginnings.

21 Helping the addicted employee

On-the-job substance abuse is a problem that, unfortunately, can affect almost any industry, operation or staff. Although the situations vary, one fact remains constant—substance abuse can cost employers not only in terms of dollars but possibly in reputation as well. Here are some ways restaurateurs can help their employees battle alcohol and drug abuse.

24 Murals—a restaurant's exclamation point

Once used primarily as decorative backdrops, murals are taking center stage in restaurant design. Using colorful new techniques and textures, designers are developing murals as focal points in both casual and sophisticated operations.

30 How non-family employees fit into a family business

There is no doubt that working in a family business can be challenging for non-family employees. But, as this article points out, you don't have to be related to be part of the "family."

CIGARS
Coca-Cola
ELLI'S
OLATE

Cover photograph by Gary Landsman
Samurai car courtesy of Rosenthal Suzuki

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- ☐ Enrollment period begins for association medical plan
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- ☐ Most executives don't drink during business lunches
- ☐ U.S. Department of Commerce publishes *Franchise Handbook*

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SHORTORDERS

Free seafood kits available

The National Fisheries Institute (NFI) kit "SeaCare: A Quality Program for Foodservice Operators" highlights the critical points of receiving, storing and freezing.

The kit, which is free while supplies last, includes

- ☐ a training manual
- ☐ a set of Spanish and English "back of the house" color posters (14" × 17")
- ☐ a checklist audit form to evaluate seafood handling
- ☐ a question and answer information sheet covering tough consumer questions
- ☐ camera-ready slicks of table tents and menu clip-ons that tell about seafood's low cholesterol and heart-healthy omega-III fish oil
- ☐ a camera-ready pamphlet of interesting facts and
- ☐ an order form to obtain audiovisual materials.

Also available from NFI is a merchandising kit to promote seafood sales during Lent (March 4–April 19). The kit includes posters, nutritional information, recipes and ad slicks.

To order the "SeaCare" kit or the Lenten merchandising kit contact: NFI, 2000 M St., N.W., Suite 580, Washington, DC 20036; (202) 296-3428.

Seacare
A Quality Program For Food Service Operators

Most executives don't drink during business lunches

People have guessed as much, but now it has been confirmed: The three-martini business lunch has gone the way of the free telephone information call.

A nationwide survey of vice presidents and personnel directors of 100 of the nation's 1,000 largest corporations found that only one out of four American executives is now likely to drink during a business lunch.

The study was conducted by an independent research organization. The respondents were asked: "What percent of today's executives consume alcoholic beverages during a typical business lunch?" and "What do you estimate the percentage of executives consuming alcoholic beverages was five years ago?" The responses were an average of 26.4 percent and 37.7 percent, respectively.

Enrollment period open for association medical plan

National Restaurant Association members and their key employees under age 65 are eligible to apply for comprehensive medical insurance under the association's group major medical insurance plan. A special enrollment period is scheduled through June 1, 1987.

Coverage, which may also be included for spouses and unmarried, dependent children up to age 19 (23 if they are full-time students), pays for many hospital and medical expenses, including hospital room and board, surgery, specialized equipment, prescription drugs, anesthesia, professional ambulance service and convalescent care.

Members will be receiving information on this plan in the mail shortly. Further details can be received from the insurance administrator, Albert H. Wohlers & Co., National Restaurant Association Group Insurance Plans, 1500 Higgins Road, Park Ridge, IL 60068-5750. Toll free: (800) 323-2106. In Illinois: (312) 698-2221.

Franchise handbook released

The Office of Consumer Goods and Service Industries, U.S. Department of Commerce, has released its 20th edition of *Franchise Opportunities Handbook.* Names and addresses of 1,414 franchise companies, many of which are restaurant firms, are listed in the *Handbook* along with information about their size, years in business, operating procedures, equity capital needed, availability of financial assistance and the training and managerial assistance they provide. A short introductory section offers advice to potential franchisees. A list of government and private organizations that offer assistance to entrepreneurs is also provided.

To order the *Handbook,* contact the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, 20402 or call (202) 783-3238. The cost is $15.00, including postage. Payment must accompany all orders. Credit card orders are accepted. Please specify stock number S/N 003-008-00201-3 when ordering.

Association publishes computer directory

Do you want to save time and energy searching for the perfect computer hardware or software for your operation? Now you can turn to a comprehensive directory on the topic published by the National Restaurant Association—the *1987 Directory of Foodservice Computer Hardware and Software.*

Joel Chaban, a nationally known expert in the foodservice computerization field, has polled more than 250 vendors to compile this exhaustive study of 595 software and hardware products.

The directory provides hardware requirements and technical specifications for individual computer products, making it easy to decide whether or not a product will be compatible with hardware or software already purchased. Descriptions list major features and/or reporting capabilities for products.

The directory is thoroughly cross-indexed and also lists all manufacturers or distributors.

Heinz blasts FICA taxes on tips

Sen. John Heinz (R-PA) speaks out against the administration's proposal, which would require restaurateurs to pay FICA taxes on all reported tip income.

A Reagan administration proposal to require restaurateurs to pay Social Security (FICA) taxes on all reported tip income received a chilly reception during a Feb. 4, 1987, hearing before the Senate Finance Committee. The association-opposed measure is part of the President's fiscal year 1988 budget plan and would require employers to treat all tips as wages for FICA purposes.

Current law requires an employer to make FICA contributions on all wages, plus any tips used to satisfy the minimum wage. Employers are not required to pay FICA on tip income above the minimum wage.

Sen. John Heinz (R-PA) was the most outspoken critic of the administration's FICA proposal, but other senators on the committee and even the chairman, Sen. Lloyd Bentsen (D-TX), raised concerns about the provision.

"There appears to be no rational reason to justify the proposed change," Heinz said. "Social Security is a payroll tax based upon wages paid by the employer. While tips are clearly income, they are not paid by the employer; they are paid by the customer. Management has no control over whether a customer will tip or how much he or she will tip."

Sen. David Durenberger (R-MN) said he agreed with Heinz's assessment, and Bentsen asked Assistant Treasury Secretary for Tax Policy J. Roger Mentz why the administration was seeking a FICA tax hike when the Social Security Trust Fund was solvent and the increase would not result in higher Social Security benefits for tipped employees.

The senators' views parallel those of the National Restaurant Association which argued in a letter to Congress earlier this year that the proposal amounts to a $200-million tax increase for restaurateurs. The association noted that Congress has always treated tips separately from wages for FICA purposes and that there is no reason to abandon this policy.

The association was expected to get a chance to testify on the issue in a subsequent Finance Committee hearing in late February.

The association is urging all of its members to contact those congressional representatives who sit on the tax-writing and budget committees. The association is setting up meetings in Washington with members of these committees. For more information on how you can participate, contact the government affairs department at (800) 424-5156 or (202) 638-6100.

Draft regulations published for immigration law

Employers will be required to verify the employment eligibility of each new worker within 24 hours of hiring, according to "highly preliminary" draft regulations issued for public comment by the Immigration and Naturalization Service (INS) in late January. Final regulations should be published by the end of April, INS said. The National Restaurant Association is closely monitoring all INS proposals and has filed a nine-point response to the draft regulations.

INS regulations spell out the specifics on the immigration bill that President Reagan signed into law Nov. 6, 1986. On that date, employers were served notice for the first time that they could not continue to knowingly hire illegal aliens.

The bill provides time for employers to get used to the new law, only gradually phasing in the civil and criminal penalties that will be imposed for illegal hiring. No penalties will be assessed before June 1, 1987. For the year beginning June 1, 1987, employers will be warned for *first-time* hiring violations and penalized for subsequent violations.

Hiring procedures under the new immigration law

Central to hiring procedures under the new immigration law will be a one-page INS form known as an "I-9" to be filled out by both the employer and the employee. I-9 forms will be distributed to employers in April, once INS publishes its final regulations.

The draft regulations outline a three-step verification process that employers will have to complete within 24 hours for each new hire. Employers will be expected to complete this process for all employees hired since Nov. 6, 1986.

First, the employer will have to make sure that the employee's section of the I-9 has been filled out legibly and accurately. In this section, the employee provides biographical information and attests, under penalty of perjury, that he or she is eligible to work in the United States.

Next, the employer will have to examine the documents an employee supplies to prove work eligibility. The draft regulations provide a comprehensive list of acceptable employee documents. The employer has to make sure that documentation provided meets the requirements of the law and that the documents provided "reasonably appear" to be genuine.

Finally, the employer will

have to fill out his or her own section of the I-9, attesting that, based upon an examination of the documents presented, the employee is eligible for employment.

Employers will be required to retain I-9 forms for three years from an employee's date of hire or one year after an employee is terminated, whichever is later.

What employers should be doing now

INS provides the following "general advice" to employers wondering what they should be doing between now and the time when the final regulations are issued:

☐ Do not fire present employees or refuse to hire new ones because they look or sound "foreign."

☐ Tell employees you have hired since Nov. 6, 1986, that they will have to fill out an I-9 form and provide proof of their employment eligibility once INS releases its final regulations. You will not be penalized for hiring unauthorized workers between Nov. 6, 1986, and May 31, 1987. To avoid the penalties which can be imposed beginning June 1, 1987, however, you must have proof that employees hired during the so-called "education period" are eligible to work.

☐ Help employees who ask you to document their employment history. Certain illegal aliens are permitted by the new law to apply for residency, and they need proof that they have lived in the United States since before Jan. 1, 1982. Documentation cannot be used against the employer for possible violations of the law, except for fraud in the application process.

☐ Do not worry about employees hired before the immigration bill was enacted. You will not be penalized for any pre-Nov. 6, 1986, hiring of illegal aliens.

Fowler speaks to First Thursday Group

According to Sen. Wyche Fowler (D-GA), the focus of government activity in the next two years will be on Congress since, in his view, it is now apparent that President Reagan does not plan any major new policy initiatives in the remainder of his presidency. Fowler said that puts pressure on the Democrats, who now control both chambers of Congress, to show that they can effectively govern. This is especially crucial in light of the upcoming presidential election.

Fowler was the most recent speaker to address the National Restaurant Association's First Thursday Group, a monthly forum wherein hospitality executives meet with elected officials and other Washington insiders to discuss issues of concern to the industry.

Although Fowler is a freshman senator, he is no stranger to politics. He served 10 years in the House before seeking a seat in the Senate, and he was a member of the powerful Ways and Means Committee which has jurisdiction over all tax matters. When the committee began marking up the tax reform bill in late 1985, Fowler took up the fight to preserve full deductibility of business meal and entertainment expenses. In the end, the so-called "Fowler Amendment" to retain 100-percent deductibility narrowly lost in committee by just two votes. Fowler now serves on the Senate Budget and Agriculture committees.

The First Thursday Group is one of many programs sponsored by the association's Political Education Committee (PEC). These programs are designed to heighten the industry's understanding of the political process and to encourage involvement in government at the local, state and federal levels. Ongoing programs include the association's fall Public Affairs Conference and congressional reception, "meet and greet" candidate receptions, congressional visits to the annual trade show in Chicago and the dissemination of "how to" materials on political involvement.

The PEC is funded by corporate donations to the association's Political Education Fund. If you would like more information about these programs or would like to make a contribution to the fund, contact Tom Kelley in the association's Washington office, (800) 424-5156 or (202) 638-6100.

NRA
NATIONAL RESTAURANT ASSOCIATION

Sen. Wyche Fowler (D-GA) discusses the 100th Congress during a recent association-sponsored breakfast meeting.

Redfish ban means higher prices

Redfish supplies—already tight because of emergency restrictions placed on redfishing last year—are expected to become even tighter this year because Commerce Secretary Malcolm Baldrige has decided to ban direct commercial harvesting of redfish in federal waters.

"Restaurants definitely have a cause for concern," says Jim Gilmore of the National Fisheries Institute (NFI), a Washington, DC-based trade association representing the seafood industry. "If you want commercial redfish, it must now come from Louisiana waters. The alternative source would be Mexico, which has enough national resource, but lacks the boats or technology to fill the gap."

A similar fish, the black drum, may be developed as a substitute, Gilmore says. Black drum is not affected by Baldrige's order and tastes nearly the same as redfish.

The meteoric rise of consumer demand for blackened redfish is mostly to blame for Baldrige's recent actions. Once a "throwaway" for many commercial fishermen, the redfish has become, in a few short years, a popular menu item in restaurants across the country. In 1981, commercial fishermen harvested 216,000 pounds of redfish in federal waters. By 1986, more than six million pounds of redfish were being netted per year.

In the last few years, state restrictions on commercial harvesting of redfish have forced fishermen farther into the Gulf of Mexico in pursuit of this lucrative catch. Growing concern that redfish were being overharvested led the Commerce Department, which is responsible for fishery management in federal waters, to place emergency restrictions on direct commercial fishing last June. At the end of 1986, the secre-

Congress to consider minimum wage legislation

As expected, members of Congress and labor leaders favoring an increase in the minimum wage sprang into action early this year. Within the 100th Congress's first 15 days, three separate bills had been introduced in the House to increase the minimum wage, which has been $3.35 an hour since 1981.

H.R. 79, introduced by Rep. Mario Biaggi (D-NY), proposes a five-step increase in the minimum wage that would begin with a 50-cent hike on July 1, 1987. Then, the wage would move up each March 1 through 1991: In 1988, it would move to $4.12; in 1989, to $4.41; in 1990, to $4.72; and in 1991, to $5.05. At that point, Biaggi estimates, the minimum wage would equal half of the average hourly wage earned by private, non-supervisory workers. Beginning in 1992, the minimum wage would go up by a proportional amount each time the average private sector wage rose.

A similar bill introduced by Rep. Henry Gonzalez (D-TX), H.R. 649, would increase the minimum wage by five percent annually until it equalled 50 percent of private sector earnings of non-agricultural, non-supervisory workers. After that, the minimum wage would rise each time the private sector earnings figure rose.

The third bill, introduced by Rep. Gerald Kleczka (D-WI) and co-sponsored by 18 other members of Congress, would make two flat increases of 50 cents in the minimum wage. H.R. 659 would push the wage to $3.85 on Jan. 1, 1988, and to $4.35 on Jan. 1, 1989.

None of the three bills would change the tip credit, which currently stands at 40 percent of the minimum wage.

So far, no companion bills have been introduced in the Senate. However, Sen. Edward Kennedy (D-MA), who chairs the Labor and Human Resources Committee, said that increasing the minimum wage will be part of his panel's agenda.

Proponents of a minimum wage increase cite the erosion of the wage's buying power since 1981. Kennedy noted that a full-time worker earning the minimum wage still falls below the poverty line for a family of four.

The Reagan administration has not decided whether to oppose efforts to raise the minimum wage, according to Secretary of Labor William Brock, who testified before Kennedy's panel in mid-January. Brock was concerned that raising the minimum wage would reduce lower-level job opportunities. He recommended that more emphasis be placed on education and training, which he felt would ultimately equip a worker to earn more than the minimum wage.

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tary decided to place a moratorium on commercial harvesting through 1987.

In the interim, the government is expected to study the size and condition of the existing redfish stock to determine the level of harvest that can be accommodated without damaging the "biological integrity" of the stock. Depending on the results of these studies, future quotas may be established on redfish.

In the meantime, NFI and the Southeastern Fisheries Association (SFA) have filed a suit against the secretary in U.S. District Court, charging that his management plan discriminates against commercial fishermen and is inconsistent with federal law. They have asked the secretary to add an element of flexibility to the redfish plan that would allow reopening of offshore waters to commercial fishermen in 1987 if scientific evidence warrants it. House Minority Whip Trent Lott (R-MS) and Sen. John Breaux (D-LA) have made similar requests.

Debate begins on parental, medical leave

Business and labor groups have squared off on the issue of mandatory parental and medical leave, setting the stage for a national debate over whether the United States should pass "job protection" laws for new parents, parents whose children are seriously ill or employees unable to work because of a serious health condition.

Congressional backers of such leave policies wasted little time in submitting legislation to the 100th Congress. Sen. Christopher Dodd (D-CT) and co-sponsor Sen. Arlen Specter (R-PA) introduced S. 249 on Jan. 6, 1987, the day the 100th Congress convened. Rep. William Clay (D-MO) and 72 House co-sponsors followed one month later with the House companion bill, H.R. 925. Committee hearings are likely to be scheduled in both chambers by early March.

The House and Senate bills would require employers to grant both male and female employees up to 18 weeks of unpaid leave over a 24-month period for the birth, adoption or serious illness of a child. In addition, the House bill would permit leave for the serious illness of an employee's parent. Employees would also be granted up to 26 weeks of unpaid leave yearly for their own serious illness.

S. 249 and H.R. 925 require continuation of pre-existing health benefits during the employee's absence and require employers to return employees to their same positions, or equivalent ones, upon their return.

Legislators urge support for the bills for a number of reasons. Demographically, they say, the United States has changed; the number of working mothers with children under one year of age has doubled since 1970. Moreover, say parental leave supporters, most of these women work out of financial necessity, and the fear of losing their jobs brings them back to work earlier than is healthy for the parent or the child.

However, the National Restaurant Association and other business groups vehemently oppose any mandated benefits legislation. Government intervention in this area takes away employers' flexibility in tailoring benefit packages to their employees' needs. Although the two bills exempt companies with fewer than 15 employees, the legislation would impose heavy burdens on smaller businesses that cannot afford to grant extended leave.

Last year, parental/medical leave legislation was introduced in both chambers of Congress. The House bill received committee approval, but a lack of time prevented the full House from taking up the bill. No hearings or action took place on the Senate bill. *—Jay Morris*
—Denise Roach

OPENING A WINDOW FOR PROFIT

DRIVE-THR

by David Slate

Central Park

Central Park, one of the first drive-thru-only chains, has eye-catching red, green and yellow burger kiosks measuring only 12 by 12 feet.

Realizing the growing potential of drive-thru service, the fast food industry is gearing up to streamline drive-thru window service.

Since the first drive-in restaurants began appearing in the 1920s, Americans have taken to pairing the automobile with the fast food meal. Today, the carhop is seen as seldom as the flashy, finned gas guzzler, but restaurant automobile service is stronger than ever—thanks to drive-thru windows.

The skyrocketing popularity of meals eaten off-premises is causing the major chains to place an increased emphasis on their drive-thru service. At the same time, pared-down, double-drive-thru-only units are striking it rich by making the drive-thru window the focus of their operations. To do so, they have returned to the original fast food formula for success: limited menus, low prices and no frills, speedy service.

Major chains speed service with drive-thrus

Research shows that consumers perceive service time at fast food restaurants to be not nearly as fast as it used to be. One of the key prerequisites for quick service in the fast food industry is a limited menu. As the major chains have expanded their offerings, their service time has slowed at both the counter and the window.

The chains are reacting to the perceived slowdown by making changes designed to speed up service. Some of these changes, such as Burger King's switch from single to multipoint service, are aimed at the walk-up customer. But the bulk of the innovative ideas and technology in the fast food industry seems to be geared toward speeding drive-thru window service to maintain and gain customers in the coming years. Here are some of the technological innovations that are revitalizing drive-thru service at the major chains.

□ **Remote headsets.** A persistent problem at drive-thru operations has been garbled radio communication between the customer at the order board and the employee at the internal speaker. Many chains are finding that by outfitting employees in lightweight, remote-control headsets they can provide much clearer communication and allow the employee to move around freely to perform necessary tasks.

McDonald's has been using a remote headset system in 2,000 of its units for nearly two years, and several other chains, including Burger King, Kentucky Fried Chicken and Hardee's, are reportedly testing the remote equipment.

□ **Double-booth drive-thrus.** McDonald's has been including double-booth drive-thrus in the equipment packages of all new stores and in stores undergoing major remodeling. Instead of one drive-thru window there are now two: one for paying and the other for food pickup. This division is aimed at speeding traffic flow by minimizing halts during the assembly of a special or unusually large order.

Tests at other chains have included split cashiering within a single booth and computerized order boards that eliminate the speaker system and allow the drive-thru customer to punch in his or her own order.

□ **Computerized registers with video screen readouts.** Several major chains are reducing drive-thru service time through the use of a computerized cash register/video screen system. The drive-thru cashier simply punches the order into the register keyboard; the information instantly flashes onto a video screen in the order preparation area.

A more sophisticated concept, used at some of the McDonald's units that are outfitted with double-booth drive-thrus, relays the order not only to the kitchen, but also to the register in the second window where an employee can begin filling drink orders.

□ **Automated windows.** Kentucky Fried Chicken has achieved a 20-percent reduction in drive-thru service time by installing fully automated service windows in 128 company and franchised units.

The automated window is activated by stepping on an electric contact switch located on a floor mat in front of the window or by breaking a photo beam. The window is not only fast, but it also allows face-to-face contact between employees and customers and frees workers to handle money and help with multiple packages.

Drive-thru-only units eliminate the frills

The greatest advancements in drive-thru service, however, seem to have

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David Slater is a communications specialist for the National Restaurant Association.

been made by returning to fast food basics. Like the original drive-ins, pared-down drive-thru-only units offer low prices, quick service and limited menus—often only burgers, fries and soft drinks, although some serve breakfast items, pizza, chicken or hot dogs.

One of the first of these emerging drive-thru-only chains is Central Park U.S.A., whose first unit was built in January 1982. The company, which began franchising in 1986, currently has 21 units and plans to have 48 by the end of 1987. Central Park's eye-catching red, green and yellow burger kiosks measure only 12 feet by 12 feet and include a second floor that is used solely for storage. Four to six workers are required to run the operation.

As the size of the units suggests, the drive-thru-only operations are designed to eliminate the unnecessary add-ons. "We feel the industry has left behind what fast food originally was," says Elliott Davenport, vice president of Central Park. "Our units are designed for maximum efficiency, and our customers want a good, quick meal."

Finding the right location

Site selection is important for these drive-thru-only restaurants. The Krystal Company of Chattanooga, TN (238 conventional fast food units in the Southeast), has been selling its signature bite-sized hamburgers in seven downscaled Krystal Kwik units. All but one are in rural areas that could not support a traditional Krystal restaurant.

"We've had good results," says Mike Bass, a Krystal vice-president. "The ones that do well, do real well. But they're very location-sensitive." Krystal

Drive-thrus: How they used to be

As early as the 1920s, some Pig Stand drive-ins had handed food directly out a window to customers in their cars. Before World War II, the old nickel-hamburger chains, White Castle and White Tower, had also offered drive-up window service as an adjunct to regular counter service at some of their units.

Not until 1951, however, when Robert O. Peterson started Jack in the Box in San Diego, CA, did a sizable chain make drive-thru windows the keynote of its operation. At Jack in the Box restaurants, one window served walk-up customers and another window took care of drive-thru orders. Generally, the restaurants required three minutes to handle a line of four cars. To maintain the kitchen's speed, a menu board and a microphone for calling in orders were placed three car-lengths back from the window.

The drive-thru idea was taken literally by one of Jack in the Box's imitators, Der Wienerschnitzel's John Galardi, who first erected flat-roofed buildings with an opening in the middle, then switched to the A-frame with an automobile-sized hole in the center, effectively indicating where the customers should steer their cars at a time when the drive-thru was an unfamiliar form of service.

Der Wienerschnitzel initially settled on the drive-thru because it solved the problem of how to operate a fast food restaurant on a property too small to offer much parking; the car-borne customer, upon receiving his or her food, immediately drove forward and was off the premises. This could also amount to a sly way of selling to teenagers, yet discouraging them from turning the parking lot into a gathering place.

Burger King equipped some of its outlets with drive-thru windows and discovered to its dismay that a car waiting at the window invariably conveys more urgency than a customer standing at a counter. The reaction of the kitchen crew was to turn away from the standing customers and rush to fill the drive-thru order, thus slowing regular service and antagonizing customers. Rather than install and adequately staff a separate drive-thru operation, Burger King in the 1960s removed all its existing drive-thru windows and concentrated on customers willing to get out of their cars. Underlying Burger King's frustration with the drive-thru was the fact that it was not a service in great demand, perhaps because it constituted such an abrupt departure from the drive-ins' practice of encouraging people to eat in their cars on the restaurants' lots.

Wendy's put a drive-thru window on the first freestanding building it opened in 1971. The drive-thru was doubly rewarding. It gave customers a convenience they appreciated, and, by enabling Wendy's to keep its buildings and parking lots smaller than competitors', it conserved capital. Wendy's claimed to earn more revenue per square foot than any other chain. By the end of the decade, the drive-thru window, equipped with its own cash register, crew and food preparation area, generated 46 percent of the sales at a typical Wendy's unit. Watching the success of this upstart competitor, McDonald's, Burger King and others knocked holes in the walls of their own restaurants and installed drive-thru windows.

—excerpted with permission from Orange Roofs, Golden Arches *by Philip Langdon, 1986*

plans to open more of the drive-thru-only units.

Other chains take advantage of the small property requirements when selecting sites. At a time when real estate is becoming more costly and prime sites increasingly rare, these operators are finding good sites and getting them inexpensively. They seek out small and oddly shaped properties in high-trafficked areas or spots in shopping center pads. "We only need 70 feet of frontage," says Central Park's Davenport. "We find lots of little slivers of property out there."

The start-up costs for drive-thru-only restaurants are low—typically from $125,000 to $200,000, excluding land—less than one-quarter the price for a conventional full-sized unit. Because the drive-thru-only units require no parking lots, the land investment is also lower than that of a traditional franchise.

Operational costs are pared down as well. Six to eight workers can run a unit during peak hours as opposed to as many as 50 employees needed at the larger chains. From the operator's perspective, then, the appeal of the drive-thru-only restaurants is obvious. But what attracts the carloads of customers who file past the drive-thru windows each hour?

☐ **Quick service.** One obvious attraction of the drive-thru-only unit is its quick service.

Central Park's Davenport says that his operation is designed to service two cars per minute at each window. Other operators, such as John Hooker of Hooker Hamburger (Nashville, TN; one unit), claim that service takes as little as 15 seconds during peak hours.

☐ **Low prices.** Although speed at the window is essential to the success of any drive-thru operation, most industry experts agree with Hooker's assertion that "The real name of the game for these double drive-thrus is price." By eliminating the frills, these operations are able to offer their products at prices that are 25 to 50 percent lower than those at major chains.

At Central Park, for example, quarter-pound hamburgers sell for 89 cents, 20-ounce soft drinks (the only size offered) for 39 cents and large sacks of french fries for 39 cents. "Our marketing strategy is to lure customers with our low prices," says Davenport. "Then, people find we serve an excellent product, and they keep coming back."

Hooker is outspoken in his belief that drive-thru customers should pay less than walk-in customers at the major chains. "The off-premises consumer is subsidizing the on-premises consumer," he says. "There has to be a segregation of customers because the off-premises consumer is rejecting the playgrounds, the tables, the air conditioning. . . . The mission of Hooker Hamburgers is to give the drive-thru customer a drive-thru price."

Actions at some of the larger conventional fast food chains seem to indicate that they agree, at least in part, with Hooker. Rax Restaurants, for example, has reacted to subpar sales by launching the "Rax Value Express Drive-Thru" in some markets. The program is designed to boost disappointing drive-thru sales and, ultimately, overall sales.

To improve window speed, the 500-unit chain has reduced the number of items available to the drive-thru customer. More importantly, the chain has cut prices on their Worksburger (regularly $1.25) and regular roast beef sandwich (normally $1.39) to 99 cents each. Other prices on drive-thru products have been reduced by five to 10 cents.

According to senior marketing chief Dan Corrigan, the Value Express program has shown good results. "We've always believed that drive-thrus were important," he says, "and they're only going to get more important." To promote the program, Rax television advertisements proclaim, "We think drive-thru customers should pay less." ❑

Not for limited menus only

One operator who has successfully integrated automobile service into his fullservice operation is Jim Starnes of Kimo's (Sikeston, MO; 140 seats). Starnes' menu, which is dominated by sandwiches served on home-baked breads, lists more than 200 items.

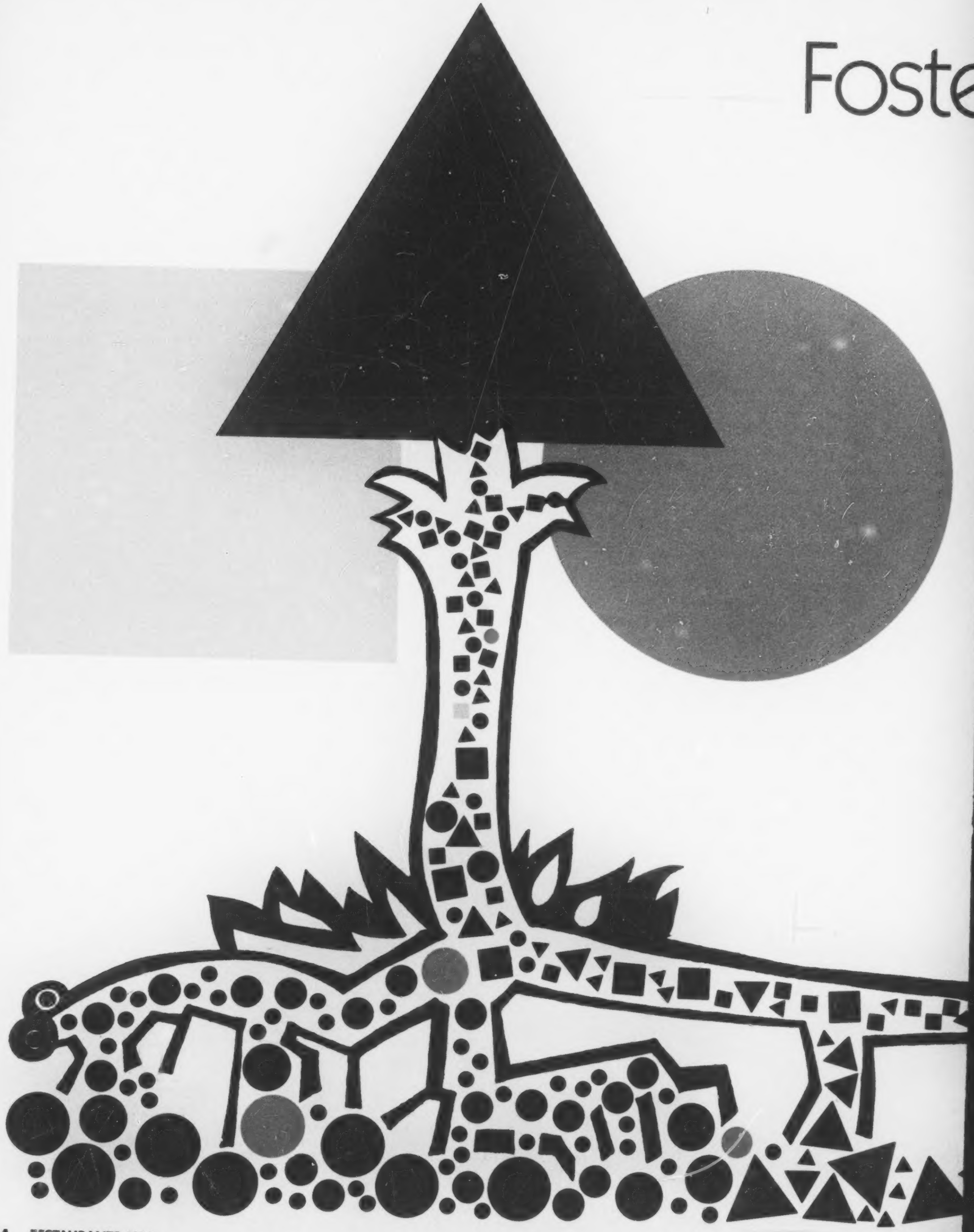
The drive-thru at Kimo's uses two side-by-side traffic lanes. After customers place their orders at the menu board, located seven carlengths from the service window, they are directed into the appropriate lane. For example, customers with orders that can be processed immediately, such as soups, soft drinks or phone-in orders, are directed to the far lane. There, an employee carrying change runs the order to the customer.

"The system is complicated," says Starnes, "and it takes a quick-witted person to be in charge. But we've got it to the point where it is very organized. In addition, we've trained our steady customers; they know the system." So organized is Starnes' drive-thru operation that orders are processed in two to four minutes.

At peak hours, four employees, including the sandwich maker, are required to operate the drive-thru service at Kimo's. Depending on the time of year, 25 to 40 percent of the operation's food receipts are generated by the drive-thru window. "It definitely is business we wouldn't get otherwise," says Starnes.

Starnes credits his success to a low employee turnover rate and Kimo's limited market (Sikeston, in southeast Missouri, has a population of around 18,000). But the owner is quick to point out the difficulties of running a drive-thru service. "Independent operators definitely have a tough time with drive-thrus," he says. "I would never chance it in a major market."

Foste



ing Franchise Innovations

From the Ground Up

by Kathy Boyle

Dunkin' Donuts' munchkins, Ponderosa's fresh seafood, Wendy's taco salad and McDonald's Egg McMuffin all have something in common. They are part of a growing list of ideas contributed by franchisees, which include not only food items, but also equipment, layout and operational changes. Although in some cases, the initial idea the franchisee develops is changed considerably by the company during testing to make it more feasible systemwide, there is growing evidence that progressive franchisors are seriously listening to their franchisees.

Franchisee advisory councils give voice to franchisees

This new voice for franchisees is a break with tradition. In the past, franchising was seen as a means for the capital-weak entrepreneur to link with the experienced franchisor, who provided the know-how and support that reduced the risk of failure. This know-how and support, however, usually brought with it strict enforcement of company controls and standards and no freedom to experiment.

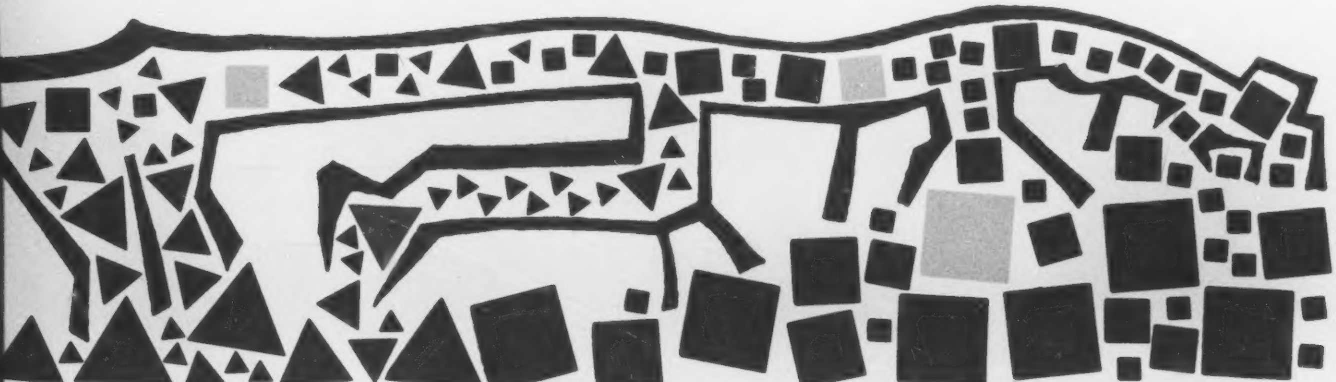
In the 1970s, many franchisees decided to demand a voice in company affairs and began their own franchisee organizations, usually called franchisee advisory councils (FACs). FACs proliferated. According to a December 1986 survey by the International Franchising Association (IFA) in Washington, DC, 53 percent of the 158 responding members reported they had FACs, and many others indicated they were in the process of setting up boards or councils.

At the 1,500-unit Dunkin' Donuts, headquartered in Randolph, MA, for example, the advisory council is comprised of elected representatives from districts and regions. According to CEO Robert Rosenberg, Dunkin' Donuts' FAC meets four times a year "to focus on profitability, costs and setting sales targets and advertising budgets."

Douglas N. LaBelle, a Ponderosa licensee in Mount Pleasant, MI, who operates five Ponderosa locations in the mid-Michigan area and serves as treasurer of Ponderosa's franchisee council, is also a strong supporter of the two-way dialogue FACs provide. "We felt there were good ideas out there, and we needed a more structured way to get at the ideas and to provide more say in the decision making for the licensee. We developed six committees, made up of three licensees and three company people each, in the areas of 1) concept, 2) purchasing, 3) human relations, 4) marketing, 5) operations and 6) architecture." To get fresh ideas, members of the committees rotate frequently. In addition, Ponderosa licensees are surveyed regularly for their input.

"Franchising, like American business in general, has grown enormously complex," says William Cherkasky, IFA president. "Along with that complexity comes a greater need for better communication." IFA believes FACs are critical to meeting this need, and so it has published a 45-page booklet entitled, *How to Organize a Franchisee Adviso-*

Kathy Boyle is a free-lance writer in the Washington, DC, area who writes frequently for **Restaurants USA.**



Max Karl Winkler

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ry Council. The booklet contains sample bylaws and sample registration forms. The cost is $7.50 for IFA members and $10.00 for non-members.

Regional meetings encourage participation

In addition to FACs, many companies hold regional meetings to encourage franchisee involvement and to tap franchisee ideas about food equipment and other efficiencies. Rosenberg of Dunkin' Donuts, for example, holds regional meetings regularly. Half of the meetings focus directly on field-operating experiences.

There is a good reason why Rosenberg is enthusiastic about this approach. "Munchkins; muffins; new store layouts; biscuits; new methods of expansion for the company, such as operating locations at train stations, bus stations and kiosks: all originated with owners," he says.

Many franchisors go out of their way to make regional meetings convenient for franchisees to attend and often schedule them in conjunction with FAC meetings. Some, such as Ponderosa (headquartered in Dayton, OH), pay for committee members' travel. At Kentucky Fried Chicken (headquartered in Louisville, KY), it takes two years to cover all franchisees in all regions. And each year KFC holds an international convention for both franchisee and company staff, providing yet another opportunity to capture franchisee ideas.

Company executives travel for ideas

Other franchisors who are not yet so formalized in their relations with franchisees use different strategies to develop a two-way dialogue. The founder or president often travels to franchisees to talk to them and find out personally about operations. "The franchisees are looked to for advice because they see customers every day, they see the competition and they get the feeling of the neighborhood," says John Reynolds of IFA.

At Dunkin' Donuts, for example, each top executive visits 50 to 125 units annually. In addition to the executive visitation program, Dunkin' Donuts maintains a staff of field service representatives. A large part of their job is to pick up new ideas and give feedback. "A field manager may be responsible for 18 units," explains Rosenberg, "but this person is responsible for being a communicator as well—to communicate the franchisees' ideas and problems back to the company."

Franchisees contact headquarters

Perhaps the most informal way to share ideas from the field is the phone call to someone at headquarters. "Our licensees contact us in many ways—by phone, by letter or just by coming in and using our people and facilities for testing and research," says Robert Hoffman vice president, concept product development at Ponderosa. Ponderosa follows up on these ideas. "I would say that 25 to 30 percent of my staff's time is spent supporting franchisees in the field. We go out to them," Hoffman adds. "For example, two days ago I was with one of our licensees testing a new piece of cleaning equipment they want to use. Before we ordered it for other units, we wanted to see if we could extend its use to other cleaning functions."

Even newer entries into the franchising field, such as Le Peep, headquartered in Denver, CO, see the importance of fostering solid franchisor/franchisee relations. "At this point, we are in the early stages of developing programs with franchisees," explains Mark S. Grabowski, vice president of franchise development, "but we encourage franchisees to write to me. Then, I have the appropriate department head get back to the franchisee to develop what they want."

Who pays for concept development?

Who pays the bills for research, testing and development of new ideas? The arrangements vary. Some companies expect franchisees to pay for concept development. Other franchisors, however,

"I would say that 25 to 30 percent of my staff's time is spent supporting franchisees in the field."

wholeheartedly pay for testing and development of worthwhile new ideas because, as Hoffman of Ponderosa maintains, "They are the entrepreneurs, and we have a heck of a lot of good ideas that have come from them."

In some cases, a devoted franchisee does all the necessary testing. Rosenberg of Dunkin' Donuts recalls one of his franchisees, a computer buff, who, by working on his own personal computer, developed a software program which reduced each operation's paperwork burden by eight to 10 hours each week.

Regionalization of concepts in the future

There are a good number of experts who see a regionalization of franchising concepts in the future. "Traditional thinking about franchisor/franchisee relations is deteriorating," says Thomas J. Sagehorn, attorney and consultant to the franchise industry. "'Do it our way; it is the best way,' is changing to concept inconsistencies by design," explains Sagehorn. "Things are changing to let local consumer demand drive the concept. For example, you may want to serve jalapenos in San Antonio, but nowhere else."

Franchisors recognize that eventually there will be tension if they are not flexible. And many operators will admit, off the record, that changes are in the works. "In the future," says Sagehorn, "the franchisor will have to be willing to take a risk with franchisees and believe that the local franchisee knows the local marketplace."

Allowing decentralization of this type could provide several advantages to franchisor companies, explains Sagehorn: "In rapidly changing regional environments, allowing regional differentiation could result in hedging investment dollars. In addition, it opens up opportunities for long-term thinking: Should we transfer this idea to other divisions? Or, will this promotion work in another part of the country?"

> Franchisors are realizing that franchisees are the lifeblood of the chain.

Corporate concept development departments often work closely with franchisees. If the franchisee chooses to use headquarter services, they can draw on a diversity of personnel experience: technical staff, many of whom may have been restaurant managers; concept service staff, who make sure new ideas are executable in the restaurant; and corporate research and development staff, such as food technicians. At KFC, for example, corporate and franchisee expertise comes together in the concept development committee. The committee is made up of franchisees and company people who work on new product development and procedures for new concept implementation. In addition, the facilities council—again made up of franchisees and company representatives—works on layout, construction, equipment and decor decisions.

To lower the cost of testing, many companies try to time new design changes into the construction or remodeling phases of building. Hoffman of Ponderosa explains: "Right now at one unit, we are testing a new exhaust hood which we were able to incorporate into the design of the kitchen before it was built. And, at another unit, a licensee suggested moving the salad bar closer to the kitchen to add a couple more tables and improve labor efficiencies. Here again, we saved money by timing the changes into some remodeling. All the licensee pays for is moving the equipment back if the idea does not work."

Rewarding good ideas

To encourage franchisees to come forward with new ideas, companies such as Dunkin' Donuts reward good ideas. At Dunkin' Donuts, a new program called "Profits and Progress Through Innovation" was initiated in 1986. According to Rosenberg, "If an owner comes up with a new idea, it must be approved or disapproved by the vice presidents for development, marketing and operations within 30 days. And, for any idea that we initially approve and then pull after a test period, we will pick up all owner costs in excess of $1,000. So far, we have had about 20 proposals; 15 to 16 are currently in test." To further complement the program, Dunkin' Donuts has added a Founder's Award, tied in with Dunkin' Donuts' 40th anniversary, to acknowledge noteworthy, innovative breakthroughs. The program includes significant cash awards.

In sum

Franchisors are realizing that franchisees are the lifeblood of the chain, and, through corporate outreach, through franchisee advisory councils, through awards and even through more informal systems, such as friendly visits or phone calls, franchisors are tapping into the wealth of ideas franchisees can offer. Bennie L. Thayer, executive director of the National Alliance of Franchisees and Dealers in Landover, MD, an organization that represents franchisee advisory councils, sums it up succinctly. "Although many of the good ideas of franchising, such as Seven-11's 'Slurpee,' came from franchisees, the rigor of the franchise system in the past did not encourage innovation," he observes. "There were times franchisees were almost terminated for initiating ideas that eventually resulted in chainwide successes. Today, however, with super saturation of the market and intense competition, the smart system owners are those who view both franchisors and franchisees as owners." ☐

Leaders of Learning

JOB RESPONSIBILITIES OF

What leading educators connected with the foodservice industry are thinking and saying is the focus of "Leaders of Learning." Material for this regular report comes from (1) CHRIE, the leading organization for hospitality educators and (2) The Education Foundation of the National Restaurant Association, established in January 1987, when the association consolidated its educational programs with those of NIFI (the National Institute for the Foodservice Industry). This first installment comes from CHRIE member Terry Umbreit, director of Hotel and Restaurant Administration at Washington State University.

The job of a multi-unit (district) manager is one of the hardest jobs in foodservice to define. Because surveys point to the confusion multi-unit managers feel about their job responsibilities, the Hotel and Restaurant Administration Program at Washington State University in Pullman, WA, conducted a study to identify the job aspects and task activities.

How the study was conducted, who participated

The first step was to ask a panel of experts to identify the major job aspects and task activities of the multi-unit managerial position. The panel included Sam Sibert, president, Kentucky Fried Chicken Division, Collins Food International; Jim Baron, vice president—operations support, El Torito Restaurants, Inc.; John Dew, vice president—operations, OSF International, Inc.; Bob Myers, manager of field training, Taco Bell; and Ken Mogle, franchise consultant, Taco Bell. Each panel member was asked to define the position and identify its major job aspects.

Two researchers (the author and Warren Tomlin, now area development manager for Sizzler Restaurants International) served as discussion leaders. They guided the panel toward reaching a consensus and providing examples of task activities for each job aspect.

Step two involved sending the final job aspects and task activities to 300 corporate executives randomly selected from the foodservice firms listed in *The Directory of Chain Restaurant Operators (1985).* The purpose of this step was to validate the work of the panel and to secure any additional materials. Specifically, the executives determined whether the task activities were appropriate for the position of a multi-unit manager, and then they rated their importance. They also provided descriptive data about the position and their organizations.

A total of 73 usable questionnaires were returned. The return was judged to be fairly representative of the sample of 300 firms. Twenty-eight responses or 38.4 percent of the sample came from firms operating 50 units or less. Twenty-seven responses or 37.0 percent came from firms operating between 51 and 200 units, while 18 responses or 24.6 percent came from firms operating in excess of 200 units. In terms of the specific segments represented, 77.0 percent of the responses came from fast food, 10.0 percent from family/theme and 13.0 percent from coffee shop and other.

Help needed in human relations

In the researcher's opinion, the most significant finding from the study is the need for multi-unit managers to receive additional training in human relations. When asked to identify the principal reason for their turnover, 44 percent of the foodservice executives indicated the lack of human relations skills followed by the demands of the position. Additionally, 62 percent of the executives said that in the transition to multi-unit responsibility, unit managers experience the most difficulty with human resource management. Foodservice operators of all size organizations agreed.

Comments made by the executives revealed that the problem deals with the style change necessary for individuals to assume multi-unit managerial duties. Essentially, the position calls for a manager of managers who accomplishes objectives through other people. Foodservice executives emphasized the importance of district managers delegating responsibilities and permitting unit managers to benefit from mistakes.

Important job aspects by company size*

Restaurant operations was the highest ranked job aspect by all respondents

Job aspect	**Group I (1 to 50 units)**	**Group II (51 to 200 units)**	**Group III (over 200) units**	**Overall average**
Financial management	10.5	9.9	9.6	10.1
Restaurant operations	13.8	13.8	15.9	[illegible]4.3
Marketing and promotions management	7.8	6.7	5.8	6.9
Facilities and safety management	5.9	5.8	5.4	5.7
Human resource management	12.0	13.8	13.3	13.0
Total	**50.0**	**50.0**	**50.0**	**50.0**

**50 points distributed across all job aspects*

THE MULTI-UNIT MANAGER

by W. Terry Umbreit, Ph.D.

Job profile of multi-unit managers

Here are the major job aspects and task activities of multi-unit foodservice managers as determined by the panel and reviewed by the corporate foodservice executives. The task activities are listed under their appropriate job aspects according to their level of importance.

Financial management

Maintains profitability of units by monitoring performance, preparing budgets, developing forecasts, authorizing expenditures, controlling costs and reviewing results with unit managers.

1. Coaches unit managers to recognize cost variances

2. Monitors financial performance and assists unit managers in the development of corrective action plans

3. Assists unit managers in developing financial and sales forecasts

4. Monitors compliance with purchasing controls

5. Authorizes expenditures within policy limits

Restaurant operations

Enforces consistent company standards, systems and procedures; evaluates product quality; implements new systems; oversees the delivery of positive customer service; supervises new product introductions and monitors unit management activities.

1. Enforces QSC (quality, service and cleanliness) standards

2. Assures unit managers and employees understand recipes and production procedures

3. Monitors the effective use of labor-scheduling techniques

4. Coaches unit managers in recognizing and solving operational issues

5. Supervises the development and implementation of unit operational plans

6. Supervises the gathering of operational data for review and analysis

Marketing and promotions management

Implements marketing and sales promotion plans, prepares units for promotional programs and encourages collection of information on customers and the competitive market.

1. Supervises new product introductions

2. Develops unit managers' awareness of customer preferences

3. Monitors in-store advertising programs and promotional plans

4. Recommends and supervises implementation of local store marketing concepts and programs

5. Helps unit managers develop community relations program

6. Trains unit managers to assess competitor operations, including marketing and advertising campaigns

Facilities and safety management

Supervises the overall condition of unit facilities to ensure operational acceptability and competitive readiness and establishes safety management programs.

1. Monitors security and safety procedures

2. Supervises preventive maintenance programs

3. Coaches unit managers in recognizing facilities and safety issues

4. Approves low-cost improvements to facilities and recommends more costly improvements

5. Manages and controls repair and maintenance budget within district

6. Conducts cost benefit analysis for repair and maintenance proposals

Human resource management

Supervises effective employment orientation, training and management of employees. Teaches unit managers how to manage people. Provides quality feedback and develops promotable managers.

1. Serves as a resource and provides feedback to unit managers

2. Supervises the execution and implementation of in-unit training and development programs

3. Coaches and motivates both managers and employees and takes disciplinary action when necessary

4. Identifies and prepares subordinates for promotion

5. Supervises and conducts formal management performance evaluations

6. Models effective supervisory behavior

7. Reinforces and rewards the training and development of employees

8. Oversees districtwide analysis of personnel needs and develops staffing plans with individual unit managers

9. Ensures personnel practices are in compliance with all regulations

As part of the study, the foodservice executives were asked to rank the importance of each job aspect in terms of the effectiveness of a typical multi-unit manager's performance by distributing 50 points across all five job aspects according to their relative weight or value. (See chart on p. 18.)

Which of these 17 facts about franchise beginnings do you know?

Founders

1 Who began his famous franchise career as a paper cup salesman and persuaded a Chicago-area Walgreen store to serve "shakes to go?"

2 Who created the popular video game "Pong" and developed the franchise concept Pizza Time Theaters?

3 Who started his career with $500 and a small drugstore in Quincy, MA?

4 Who used to interest operators in his product by dropping by with his pressure cooker and spices and cooking dinner for the owner and his crew?

Names

5 Which franchise was named after the founder's daughter?

6 Which company began under the name of Industrial Luncheon Service and served coffee, donuts and sandwiches to factory workers from a truck?

7 Which franchise was named after a character in Alex Haley's novel *Roots?*

Menus

8 What soft drink was created by a pharmacist and combined spices, herbs, barks and berries?

9 Which franchise was originally a donut stand and intended to serve the best cup of coffee?

10 What sandwich was named after an overweight child who swept the restaurant?

11 Which company got its start by selling tamales from a stand at a Texas county fair?

12 Which franchise started out as an ice cream stand just for the summer so the founders could pay for their college education?

Architecture

13 Which franchise used the Chicago Water Tower for its architectural inspiration?

14 Which franchise used the cartoon character "Speedee" as part of its original logo to indicate fast, friendly service?

Slogans

15 Which two companies had similar mottos: "Buy a bagful" and "Buy em by the sack?"

16 Which franchise boasts it has "Cook'n 'xactly like mama's?"

17 Which franchise developed the slogan, "Nationally known, locally owned?"

—Kathy Carpenter

White Castle, Rahway, NJ

Answers

1. Ray Kroc
2. Nolan Bushnell
3. Howard Johnson
4. Colonel Sanders
5. Wendy's
6. Dunkin' Donuts
7. Chicken George
8. Root beer
9. Denny's
10. Big Boy
11. El Chico
12. Friendly Ice Cream
13. White Castle
14. McDonald's
15. White Towers and White Castle
16. Zackly's
17. Dairy Queen

HELPING THE ADDICTED EMPLOYEE

by Marcia Hibsch Coppess

On-the-job substance abuse costs employers—in absenteeism, accidents and injuries, theft, increased insurance claims, reduced productivity and poor morale. A study by the Research Triangle Institute in Durham, NC, estimates the cost in 1983 at $99 billion nationwide, while another expert speculates that the annual cost per employee ranges from $500 to $1,000.

Substance abuse can also cost a business its reputation. A San Diego, CA, hotel restaurant, well-known as a singles spot, learned that lesson the hard way. When a cocktail waitress was arrested last spring for selling cocaine to undercover agents, both the restaurant and hotel suffered from the highly publicized event. The restaurant was closed for several months, and now it is struggling to re-establish itself as a cafe.

Much has been written about drug and alcohol abuse in the American work force, but the belief still lingers that alcoholics and drug addicts are unemployed, unshaven and living on the street. This is simply not the case.

According to the National Institute on Drug Abuse (NIDA), 10 percent of the population has a drinking problem, and another four to seven percent uses drugs regularly. Many of these habitual users hold down a regular job and support their families and their habits.

Abuse crosses all geographic, financial, racial and educational borders. To assume that your business is unaffected is to leave it vulnerable.

Starting with a policy

What can restaurant operators do to combat drug and alcohol abuse among their staff? Three elements are necessary; like a three-legged stool, any effort will be lopsided and weak without all three.

The first step, experts agree, is to write an anti-drug policy that outlines management's expectations and the consequences for those who disregard it. (Because employment matters are

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Marcia Hibsch Coppess is a free-lance writer who specializes in psychology and health.

typically governed by state law, consult with your legal counsel when preparing a new policy.)

"Without a policy, you're dead in the water," says Mike Alexander, director of the Philadelphia, PA, office of Human Affairs International, a provider of contract employee assistance programs (EAP) to businesses worldwide.

A policy gives the employer double assistance: It tells present and prospective employees that the employer will not tolerate abuse at work, and it serves as legal protection against wrongful discharge lawsuits—provided the policy allows for termination of an employee who breaks company policy. According to Joe Lodge, president of Corporate Security Advisors, a Miami Beach, FL, consulting firm, "Without a policy, a company indirectly condones drug and alcohol abuse in the eyes of the employee."

A written policy should be given to all employees, perhaps as part of the orientation materials given to new employees. The policy might allow for a warning on the first offense, suspension without pay on the second offense and dismissal on the third offense, or it may call for dismissal after any offense. This policy can be printed in duplicate and can include a space for an employee's signature. The original would become the employer's copy; the copy, the employee's.

Backing the policy

No policy can be effective without a knowledgeable staff to back it. Managers must be taught to recognize behavior that could imply drug or alcohol abuse, and they must know how to approach an employee about suspected problems. (See sidebar *Warning signs of abuse.*)

Warning signs of abuse

How can you tell who is abusing substances? Here are some common indicators, but be aware that there can be other reasonable explanations for most of these behaviors. Use this list as a guide to spot potential abusers, but do not make any decision based on an isolated incident.

Physical signs

☐ Slurred speech
☐ Unsteady gait
☐ Erratic mood swings, including depression, irritability, excessive happiness and lethargy
☐ Bloodshot or watery eyes
☐ Either very enlarged or very contracted pupils
☐ Powdery residue and sores around the nostrils
☐ Weight loss or bloating
☐ Wearing long-sleeved clothing in all weather
☐ Blood stains on sleeves (from needle use)
☐ Uncharacteristic carelessness about grooming and appearance
☐ Excessive perspiration or trembling

Performance signs

☐ Excessive tardiness and absences
☐ Frequent trips to the bathroom or water fountain
☐ Visits from strangers or other employees during work hours
☐ Frequent accidents, particularly caused by clumsiness or carelessness
☐ Personality conflicts or arguments with other employees about job performance or carelessness

Possible signs of drug sales

☐ Visits to areas unnecessary for daily chores
☐ Off-duty employees who visit other employees during work hours
☐ Employee living well beyond his wages or displaying large amounts of cash
☐ Employees who wander away in small groups to secluded work areas or to one employee's car
☐ Employee who receives numerous phone calls at work

Confrontation may be the last thing a manager wants. But offering the choice between work and the abuse can be a powerful deterrent. Harrison Trice and William Sonnenstuhl of the Program on Alcohol and Occupational Health at Cornell University's School of Industrial and Labor Relations conducted a two-year study of difficult employee and employer situations. According to Trice and Sonnenstuhl, the employer should show concern about the employee's problems while presenting the consequences of unimproved behavior. The study of 120,000 employees in 50 organizations concluded that constructive confrontation based on documented evidence was more effective than any other approach.

Seventy-five percent of alcoholics and 55 percent of employees with other problems improved their behavior in response to constructive confrontation.

Supervisors should avoid diagnosing an employee's problem or counseling the employee at length, however. It can be difficult to distinguish a sedative abuser from a fatigued father whose colicky baby is keeping him up at night. And, since the addict is a master at gaining sympathy and support from others, the manager who lends a strong shoulder to an employee in trouble may have trouble when discipline is called for.

Providing treatment

But there is more to discipline than termination. While firing an impaired employee may be the solution at times, it makes financial, professional and ethical sense to assist valuable employees in kicking destructive habits. Bill Edelblut, vice president of the family-run O'Donnell's Restaurants in Washington, DC, tells of a longtime employee whose drinking was overlooked for years.

"One of our chefs had worked for us for more than 25 years. Despite a growing drinking problem, he was a valued employee so we tried to live with the situation. But he became more belligerent and argumentative in the kitchen until something had to be done."

Edelblut, a member of the Alcohol and Highway Safety Commission of Montgomery County, MD, sought advice from several experts and had the name of a treatment center handy when he confronted the chef.

"We said, 'You're ruining the rest of your life—and your job. If you want help, we'll be with you,'" Edelblut recalls. "He came in the next day, asked for help and within 24 hours we had him in a treatment program. Now he is a changed person."

Edelblut says there was never any question that the chef's job would be waiting for him when he returned. "The employee had been with us for a long time, and we felt it was worth the effort to get him help," he explains.

Employee assistance programs

Large companies with multiple locations have found that an organized program to deal with the employee's personal problems can be cost-efficient and morale-boosting. At The Red Lobster, three nurses staff "Medicall," a toll-free telephone line at corporate headquarters in Orlando, FL.

Although the line was designed for the company's health insurance benefits department to preapprove health insurance use, it has grown to include an active assessment and referral program. Susan Gregory, R.N., health services coordinator, explains that managers may refer employees to the staff or suggest that the employee call. Gregory locates hometown resources for anything from marriage and family counselors to alcohol and drug abuse treatment programs.

"We treat a drug or alcohol problem as a disease, and won't fire employees because they are sick," Gregory says. "But if there is a behavior problem on the job, we counsel on the behavior. Medicall has given employees with problems—any number of problems—a place to turn for help, and the response keeps the phones busy consistently."

Other companies contract with an outside employee assistance firm—commonly referred to as an EAP provider or EAP contractor—to handle assessment, referrals and short-term counseling. Marriott Corporation has contracted with the Institute for Human Resources, Inc. (IHR) in Rockville, MD, to serve employees and their dependents at Marriott's corporate headquarters as well as managers and their dependents at metropolitan Washington, DC, Roy Rogers and Bob's Big Boy restaurants.

"The measure of our program's success is the continuation of its use," says Kathleen Alexander, vice president for Marriott's personnel services. Although IHR preserves employees' privacy by not revealing names or specific difficulties, Alexander receives reports on the number of people using the service and a general description of their problems.

Depending on the range of services and the number of locations a company has, the cost of EAPs may vary from $20 to $50 per employee per year. The cost drops as the number of employees rises. Some businesses are banding together to create consortiums to negotiate lower fees for services. Provided the companies agree on the services they want and they are clustered geographically so they can use one EAP office, many EAP contractors are happy to accommodate them.

"A consortium can be the answer for a business with only 15 or 20 people," says Don Phillips, president of the Center for Occupational Programs for Employees (COPE), a contractor that services a multibusiness consortium in Alexandria, VA.

Operators who opt against EAPs can find help from such community resources as Alcoholics Anonymous, the community mental health department and an inpatient substance abuse treatment center. Susan Gregory of The Red Lobster recommends that managers create, as part of their telephone directories, a list of community resources that are willing to help employees at minimal cost. "There are places where an employee can get government assistance or community help—and AA is free," she says. "Even if the employee is not insured, there is somewhere to turn. And all the employer needs to do is to provide support."

Paul Tobias, Ph.D., a psychologist and consultant in Malibu, CA, adds that other people who are recovering from an addiction can also be helpful. "Find one or two recovering addicts or alcoholics who will make a firm handclasp between the impaired person and recovering people in the community," he says. "Form the liaison before the problem crops up. I've never seen an instance where that nurturing didn't pay a lot of dividends."

No matter how the solution is approached, however, helping an impaired employee costs less than keeping him or her on and paying through increased insurance use, absenteeism, accidents and lowered productivity. Firing the employee and going through the hiring and retraining process with someone else adds even more expense. And employers with successful programs have found that morale and loyalty skyrocket when employees see that management is concerned about their personal well-being.

"Employee assistance programs in their various forms are one of the first ideas that have come along that are palatable to nearly everyone," notes Dr. Tobias. "Both industry and the unions agree that it works." ❑

Where to find help

☐ **For information on employee assistance programs and counselors**
Association of Labor-Management Administrators and Consultants on Alcoholism, Inc. (ALMACA); 1800 N. Kent St., Suite 907, Arlington, VA 22209; (703)522-6272.

☐ **For free self-help groups**
Alcoholics Anonymous
Narcotics Anonymous
Cocaine Anonymous

Check your local telephone book for listings or call your community mental health office.

☐ **For free or low-cost government publications on addictions**
National Clearinghouse for Drug Abuse Information; P.O. Box 416, Kensington, MD 20795.

(Publishes a drug information pamphlet series, *Preventing Drug Abuse in the Workplace,* posters and a variety of other publications. Single copies are free. Request publications list and order form. Allow three to four weeks for delivery.)

MURALS

Murals are moving to the forefront of restaurant design. Once used primarily as decorative backdrops, they are being used today to set the tone of an establishment, not just echo its theme. Employing innovative techniques and textures, designers are developing murals as bold, exciting and personalized focal points in all types of restaurants—from the most sophisticated to the most casual.

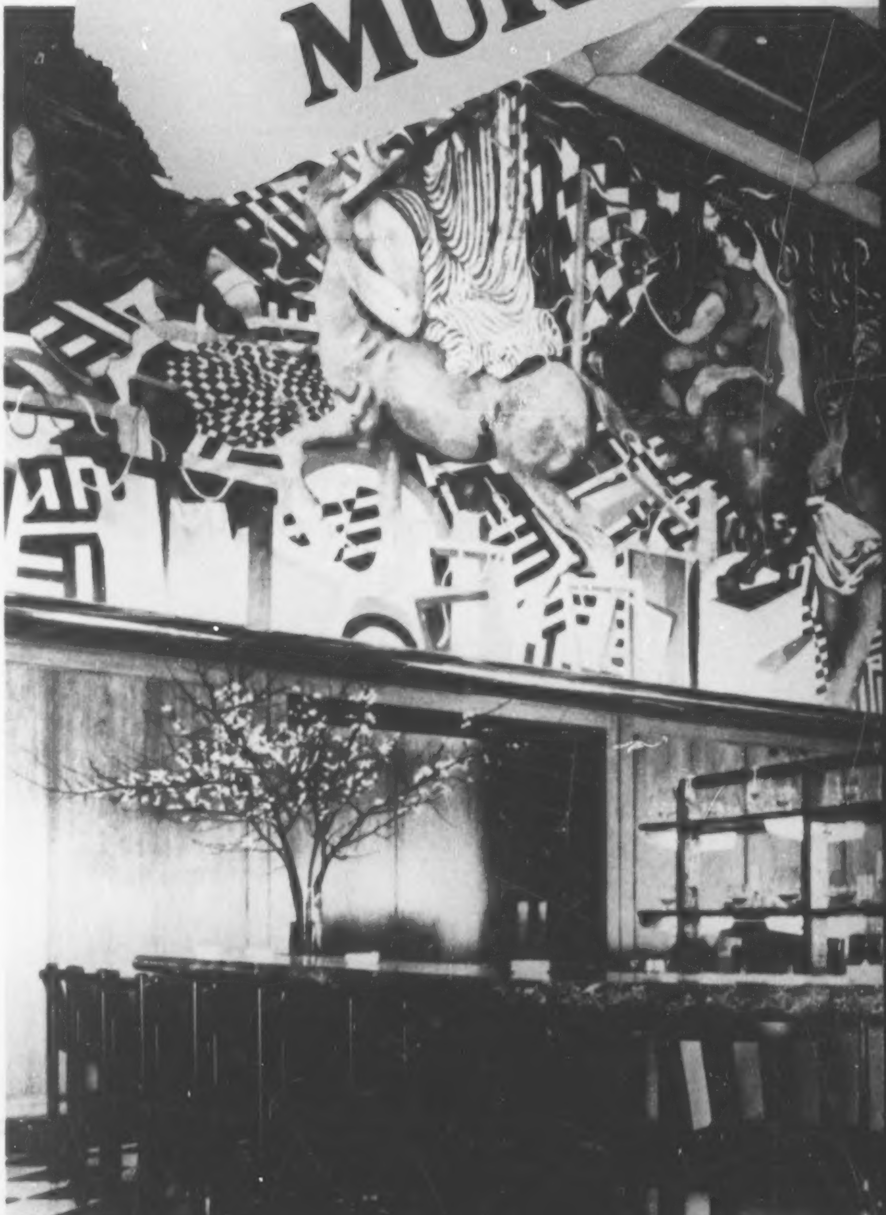
"Murals are being conceived as part of the total architectural scheme, not as add-on background pieces," says David Rockwell, partner of the New York, NY–based Haverson/Rockwell Architects, P.C. "They are more than just painted walls; they make a statement for the whole restaurant."

"Making a statement" is the key behind the resurgence in murals. In this competitive era, restaurateurs are continually looking for ways to make their establishments stand out from the crowd. Many are finding that murals can provide the signature they are searching for. "Having a distinctive personality is so crucial for restaurants today," maintains Bill Aumiller, president of Aumiller Youngquist, P.C., a firm which often designs Lettuce Entertain You restaurants. "And, because they are customized, murals add a unique identity to restaurants, something no one else can buy or imitate."

Communicating an individualized identity with murals can work with single restaurants as well as multiple operations. "Even if you are working with multi-units," says Aumiller, "different murals with the same general theme can give each unit its own unique flavor."

Cost-efficient art

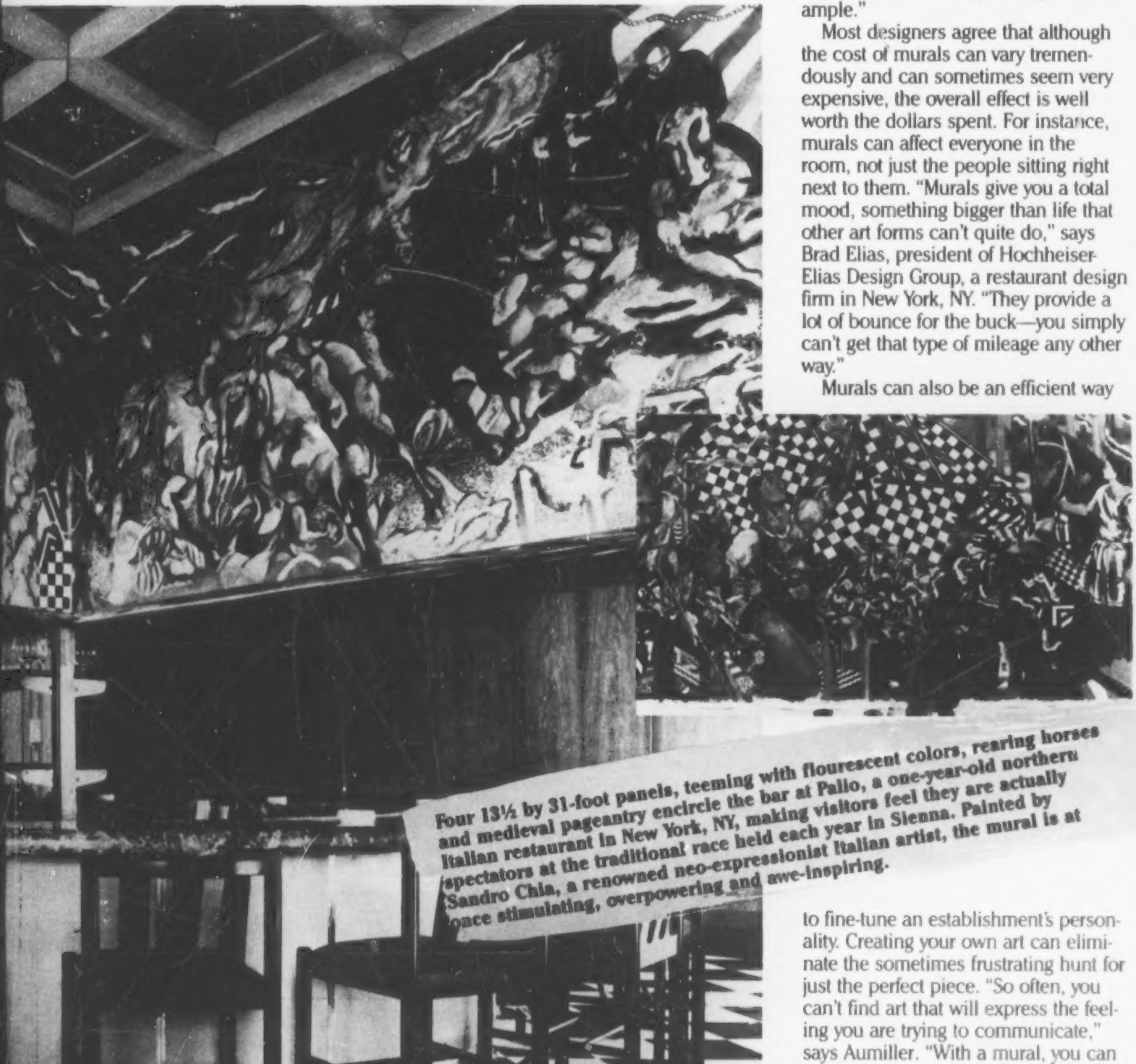
The growth in murals corresponds with the increasing appreciation of art as a valuable design element. "Just as people have become more aware of good food and wines, they have also become more aware of the artwork that surrounds them," says Barbara Smith, owner/partner of B. Smith's, the 200-seat, eclectic new member of the Ark Restaurants Corporation in New York, NY.



Cecelia Niepold is managing editor at **Restaurants USA**.

A Restaurant's Exclamation Point

by Cecelia Niepold



Four 13½ by 31-foot panels, teeming with flourescent colors, rearing horses and medieval pageantry encircle the bar at Palio, a one-year-old northern Italian restaurant in New York, NY, making visitors feel they are actually spectators at the traditional race held each year in Sienna. Painted by Sandro Chia, a renowned neo-expressionist Italian artist, the mural is at once stimulating, overpowering and awe-inspiring.

Murals, as the biggest, boldest type of artwork, are being recognized as a cost-effective way of presenting art. "People are realizing that in terms of cost, murals can be competitive with other treatments," explains Aumiller. "Once you have decided you want something more individualized than mass-produced artwork, murals can be more cost-effective than commissioning a whole series of paintings, for example."

Most designers agree that although the cost of murals can vary tremendously and can sometimes seem very expensive, the overall effect is well worth the dollars spent. For instance, murals can affect everyone in the room, not just the people sitting right next to them. "Murals give you a total mood, something bigger than life that other art forms can't quite do," says Brad Elias, president of Hochheiser-Elias Design Group, a restaurant design firm in New York, NY. "They provide a lot of bounce for the buck—you simply can't get that type of mileage any other way."

Murals can also be an efficient way to fine-tune an establishment's personality. Creating your own art can eliminate the sometimes frustrating hunt for just the perfect piece. "So often, you can't find art that will express the feeling you are trying to communicate," says Aumiller. "With a mural, you can commission exactly what you want—the size, shape, color, everything."

Lively groups of Spanish revelers seem to jump off six (average size six to 10 feet) murals at Cafe Babareeba!, Lettuce Entertain You's tapas restaurant in Chicago, IL. Washed with bright Picassolike purples, pinks and turquoises, the boisterous scenes immediately project the restaurant's casual, partylike atmosphere.

Many design options

Murals can make a design statement in many different ways. They can add intimacy to large spaces as well as open up small areas. They can add a sophisticated, subtle touch or a lively splash of color. They can communicate a restaurant's overall theme or simply tie together its design in a variety of techniques, textures and styles. Here are just some of the ways murals are being used to add design distinction.

□ **Create a focal point, signature.** One of the primary ways operators are using murals is as a focal point for their concepts and the restaurant's personality. Murals can add a visual exclamation point to the overall design and can create an immediate signature for the restaurant.

Walking into B. Smith's in New York, the first thing one notices is the striking mural at the rear of the restaurant. And that was the intention. "Every restaurant needs a focal point, and ours is the mural," says Barbara Smith. "It's like a headboard; it caps the whole design." With its sophisticated blend of colors and textures, the mural immediately conveys the restaurant's distinct personality. "I wanted the restaurant to have an eclectic texture," says Barbara Smith, "and the mural was designed to communicate that idea."

Brad Elias used a mural treatment at the 100-seat Caliente Cab to develop a look that would set the establishment apart from the many other casual-theme restaurants in New York. Building on the restaurant's Mexican theme and its signature yellow cab, Elias developed a humorous three-panel mural, complete with a voluptuous Spanish woman pulling up her stockings in front of a cab driver and various other onlookers. "The mural really carries the theme," says Elias. "Take out the mural and the restaurant could be any neighborhood saloon. The mural is what gives the restaurant its signature."

□ **Communicate concept.** Some restaurants are using murals to personify their overall theme. Because different styles of art have come to represent different eras, murals can effectively communicate a concept's thematic "era" as well.

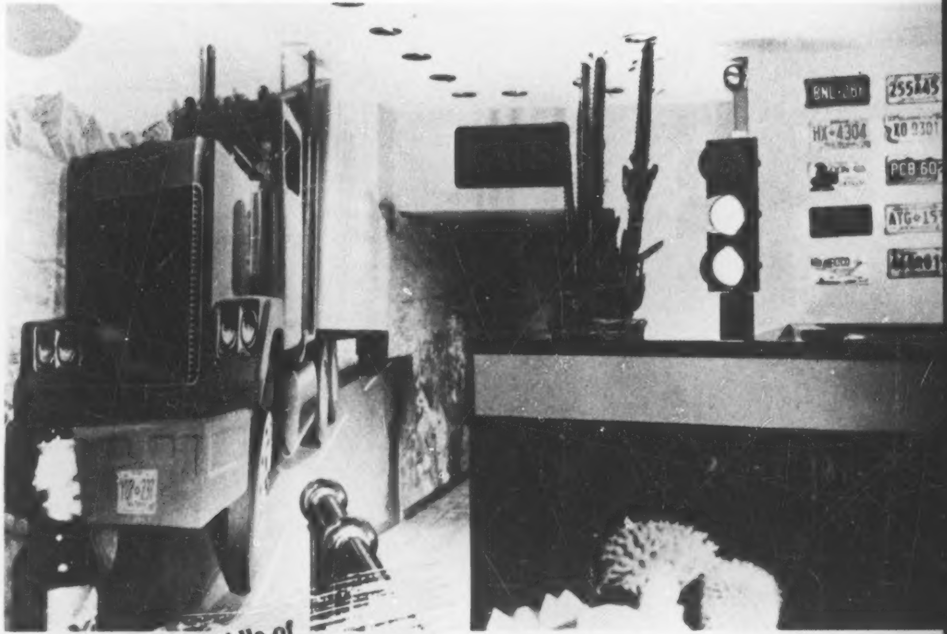
For instance, Cafe Beaux Arts, a 200-seat bistro in the Omni/Georgetown Hotel in Washington, DC, wanted to create an avant-garde concept that would work well in its art-oriented neighborhood. That is why the designer chose to mold the restaurant around the work of Wassily Kandinsky, a popular artist from the Beaux Arts School. Everything in the restaurant, from the coatracks to the wall sconces, is designed with a Kandinsky flair. To round out the design, each wall also has its own Kandinskylike treatment, complete with abstract shapes and primary colors. Manager Richard Cotter believes the murals are a key factor in

Because murals can make such a dramatic statement, how can you make sure the technique will work in your restaurant? First, think carefully about the effect you want to create. "Murals, just like any other decorative element, may add an enormous amount to the ambiance," says George Lang. "But," he is quick to add, "if not judiciously planned, chosen and installed, they can be extremely distracting, even offensive." Lang cautions restaurateurs to consider "the artistic subject, perspective, distance from which the mural will be viewed, its relation to the tables and traffic patterns and even the lighting in the room," before pulling out the paint brushes.

Once you have mentally incorporat-

projecting the overall concept. "Unlike a series of paintings, the murals really incorporate all the other elements of design and give the look its signature," he maintains.

J. Muncy & Co., a 120-seat, casual restaurant with a 1940s theme, has also used a mural to communicate its personality. A large, 10 by five-foot "Norman Rockwell-style" mural, filled with pedestrians standing outside an old-time J. Muncy & Co., instantly conveys the nostalgia the restaurant wants to project. Because the mural contains a series of action-packed vignettes, from a painter on a tilting ladder spilling his paint to a shoeshine boy buffing shoes, the mural also immediately adds life and vitality to the restaurant. "It takes you back into that era as well as adds a lot of hustle and bustle to the restaurant," explains Bob Sikora, president of Bobby McGee's Corporation in Phoenix, AZ, which developed the J. Muncy & Co. concept.



Steel gray and blue, the 18-wheeler seems to roar right into the middle of the bar area at Tube City Truck Stop in New York, NY. With its front end projecting from the background desert scene, the truck seems to lifelike that customers are drawn through the tunnel connecting the bar and the restaurant.

□ **Personalize large space.** While communicating a concept is generally the first reason designers turn to murals, another consideration is the actual architecture of the restaurant. Murals can often solve architectural dilemmas with an elegant flair.

At one end of the restaurant design continuum today is the use of large, almost loft-like spaces to create bustling, wide-open eateries. Murals work particularly well in this kind of concept. "In large restaurants, murals are almost a necessity," says George Lang, owner of Cafe des Artistes (New York, NY) and

Making a mural work

ed the mural into your overall design, the next step is to communicate your ideas to the artist or designer. "You must be very clear about the effect you want to create," emphasizes Bill Aumiller. "It's not the kind of thing you can just paint over and start again."

Most people find that sketching ideas and identifying comparable artwork are the best ways to verbalize their visual ideas. To get a better idea of what the final design will look like, sometimes artists will provide models, sketch their ideas on the walls or, as Judy Rifka did for her work at Union Square Cafe, outline ideas on acetate and project them onto the wall to adjust the position and composition.

Finding just the right artist can sometimes be the most challenging part of the whole process. To avoid costly mistakes, Brad Elias suggests looking at a wide range of portfolios and carefully checking each artist's credentials and reputation. "Don't settle for second best," maintains Elias. "There is nothing worse than a 20-foot wall done by an amateur."

Once he had a general idea of the mood he wanted to create, Danny Meyer of Union Square Cafe, took his time finding an artist. After seeing examples of Judy Rifka's wall installations in various museums, Meyer decided her style would best fit his restaurant's personality and architectural needs. Meyer is pleased with the collaboration. "It's a high-quality piece of art, consistent with the quality of food and wine we serve, and it works well with the other contemporary art in the restaurant," he says.

No matter how much they love the look of their murals, however, most restaurateurs realize that, after all, look is just one part of the whole concept and cannot carry the restaurant on its strength alone. "The Palio mural has brought in a tremendous number of people; it's a one-of-a-kind, magnificent piece of art," says Tony May, the restaurant's operator. "In the final analysis, though, the mural will bring people in once, but the food and service are what will bring them back time and time again."

Three panels of brightly painted humor, centered around a voluptuous women pulling up her stockings, gawking onlookers and a big, bright yellow cab, provide a colorful signature at the Caliente Cab in New York, NY.

international restaurant consultant. "They are easy and effective ways to saturate a large-scale space with motion and 'happeningness.'"

Scoozi, the new, 300-seat Lettuce Entertain You restaurant in Chicago, IL, is a prime example of using murals to bring a large open space to life. Aiming for an Italian trattoria atmosphere, designer Bill Aumiller "tamed" the wide-open 10,000-square-foot space with murals and other large pieces of art. Each of the murals is different, from a 35-foot dreamy, fresco landscape scene, which anchors a corner of the restaurant, to large, Rousseaulike portraits. "Literally, every wall has some type of treatment to make the space stimulating, almost like an artist's studio," explains Aumiller. "We wanted to add texture and depth to the space so that each time customers come in they notice something different."

America, a 350-seat eatery in New York, NY, has also used expanses of paint to personalize its lofty, 10,000-square-foot space. Every inch of the

New techniques

Here are some of the newest techniques designers are using to add distinction to today's murals:

☐ **Texture.** To create more depth and visual interest, designers are adding interesting textures to murals. For instance, at Sushi Zen, a small 75-seat Japanese restaurant in New York, NY, designer David Rockwell created a dramatic mountainscape, which runs the length of the restaurant and opens up the restaurant's narrow dimensions.

To create a more textured look, he designed the mural out of four layers of wood, each layer covered with different shades of blue, pink and brown silk. Between each layer of wood are thin strips of neon, adding additional depth to the mountains' peaks and valleys.

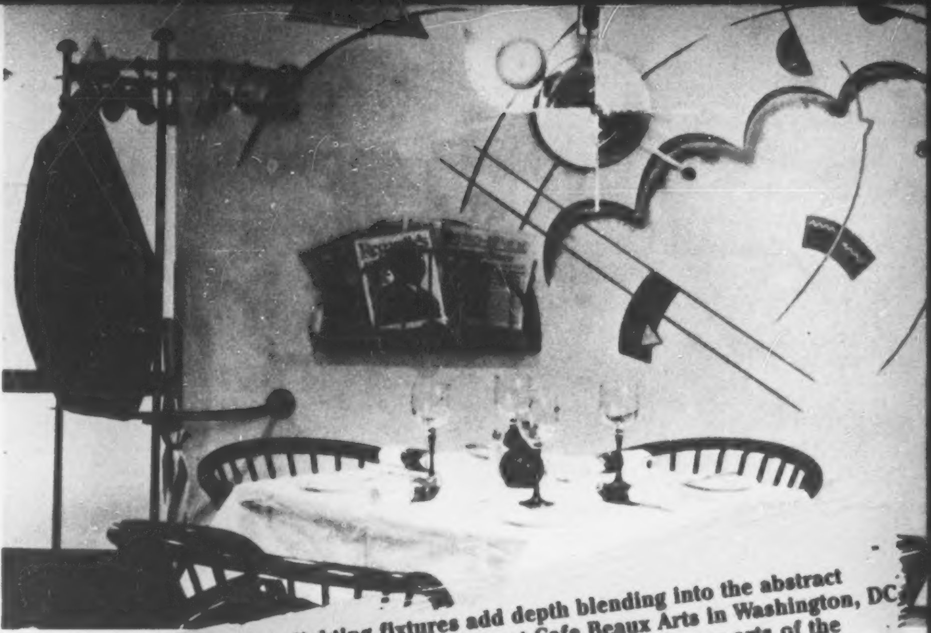
At Scoozi, a 300-seat restaurant in Chicago, IL, many of the paintings have been given a "faded" look to add to the traditional Italian trattoria atmosphere. Many were painted on the brick wall and then actually cracked to add more texture.

☐ **Three-dimensional.** Designers are adding other textures to murals to give them and their restaurants more dimension. For instance, the 18-wheeler at the Tuba City Truck Stop in New York, NY, would not be nearly as effective if the front end did not actually stick out from the mural. That extra design element is what gives the truck its personality.

An interesting three-dimensional feature also gives Twenty Twenty, in New York, NY, a distinctive personality. To add a sense of intimacy to the large, two-story space, the designer installed seven murals around the upstairs balcony. Each is a flat, almost neutral, colored panel, brought to life with a startling neon-lit fire escape (the real thing) and a bright, lit-from-behind "window." The windows and the fire escapes create a multi-dimensional effect of being "outside looking in."

☐ **Lighting.** Creative lighting techniques can add a great deal to the effectiveness of a mural. For instance, at Cafe Roma, a 150-seat northern Italian restaurant in New York, NY, an entire wall is painted with light and dark shades of blue to create a skylike effect. Spread throughout are bubbles of other colors, giving the mural additional depth and texture. Although the colors are intriguing, effective lighting really brings the mural to life. Four spotlights in blue and pink tones light the mural from below. During the day, the wall is lit to look skyblue, while at night, the sky seems to turn pink, almost like a sunset.

Lighting has been incorporated right into the mural design at the 200-Seat Cafe Beaux Arts in Washington, DC. Each mural contains a custom-designed, Italian glass sconce which echoes the squares and triangles of the Kandinsky design. At night, the lights seem to jump right out of the murals—adding a multi-dimensional look to the artwork.



Custom-design lighting fixtures add depth blending into the abstract wash of shapes and primary colors at Cafe Beaux Arts in Washington, DC. The Kandinsky-influenced murals echo the overall beaux arts of the other decorative elements, such as the unusual coatracks.

walls is covered with pastel interpretations of American scenes, ranging from a huge Statue of Liberty to a soaring eagle. Slashes of abstract black-and-white designs, patterned after Navajo sand scripture art, create a sense of movement amidst the mural's light pinks, yellows and blues. "We wanted to create a feeling of excitement with the mural to warm up the space and to give the overall design an unusual foundation that said 'America,'" says Michael Weinstein, president of Ark Restaurants Corporation, which owns the restaurant.

□ **Open up small spaces.** Although the expansive dimensions of murals make them a natural partner for large spaces, they can also be used effectively in smaller restaurants. With a little imagination, murals can expand a small area and transform an architectural "negative" into a positive.

Faced with a boxy dining area, 25 feet high with a center pillar and a small balcony, Danny Meyer, owner of the 120-seat Union Square Cafe in New York, NY, decided to open up the space with a mural. "I wanted something that would warm up the room and also add to diners' enjoyment," explains Meyer. And so he turned to a mural. The painting has a Matisse flavor, with its lush women and colorful fruit baskets that seem to float around the room, reaching to the top of the walls and around the pillar. The unconstrained wash of greens, oranges and bright pinks adds an extra dimension to the space, turning the high walls and inconvenient pillar into decorative assets.

At the Tuba City Truck Stop, a new 140-seat Tex-Mex eatery in New York, NY, designer Brad Elias used a representational mural to turn a dark, narrow tunnel connecting the bar and restaurant into a decorative feature. The mural's centerpiece, a 10-foot-long 18-wheeler, seems to roar around the corner of its mountainous desert background, which extends along the entire 20-foot tunnel. To make it really lifelike, the truck's fender actually sticks out about six inches from the wall. Without the vibrant, playful mural, the tunnel would be uninviting and uninteresting. Now, drawn by the unusual artwork, the first thing many patrons do is to walk through the tunnel to see where the truck is coming from.

A lasting trend?

Murals have been around for a long time and will probably continue to play an important role in restaurant design. "I believe murals will continue to evolve, as more people discover their possible impact," predicts Brad Elias.

If the look is right for your restaurant, if it gives the establishment a signature that works, a mural won't lose its punch over time. As George Lang says, "Great art has a certain timelessness; it has a way of communicating to everyone, regardless of their age, education or any other denominator." He should know. The beautiful Howard Chandler Christy murals at Cafe des Artistes, with their playful nudes and lush foliage, have been communicating to customers for more than 50 years. They certainly haven't lost their appeal. ☐

Swirls of pastels, earth tones and gold leaf dance across a 12 by 25-foot wall in abstract patterns at B. Smith's in New York, NY. With its many colors and textures, the mural simultaneously synthesizes and expands the restaurant's rich, sensory theme of earthy vessels and urns.

LIFE IN TH
BUS

A Non-family member's view

by Anne Papa

When Leo Rodby first hired Margaret Kuraoka to wash dishes at Kemoo Farm, an upscale restaurant in Wahiawa, Oahu, HI, she was so small she needed to stand on a box to reach the sink.

Today, 74-year-old Margaret Kuraoka still works at Kemoo Farm, coming in once a week to arrange the fresh flowers for which the restaurant is famous. But now her boss is Leo Rodby's son, National Restaurant Association Director Dick Rodby, who says that "in many ways, Margaret still rules the roost. She's like one of the family." Kuraoka couldn't agree more. "I held Dickie on my lap. I watched him grow up," she explains. "Now that he is boss, he doesn't deny me anything."

★ ★ ★

Jim Black, vice president of administration for San Antonio, TX-based Frontier Enterprises, first came to the company as an assistant to company president and current National Restaurant Association President G. "Jim" Hasslocher. "I'd never worked for a family-owned business before," says Black, "and I was immediately impressed with the entire Hasslocher family's involvement." After eight years with the company, Black says he has adopted the "Hasslocher work ethic" as his own. "They demand a great deal," he acknowledges, "but once you prove yourself, you're made to feel like part of the family. In fact," he adds, "that's exactly what Frontier Enterprises seems like at times—one big extended family."

The essential non-family employee

Loyal non-family employees, such as Margaret Kuraoka and Jim Black, are invaluable to the family business. "In any family business, it is impossible to breed enough employees," maintains Leon Danco, president of the Cleveland, OH-based Center for Family Business. "Eventually, if you're successful enough, key positions will have to be filled by non-family members."

Danco terms these non-family employees "adopted relatives of the family business," and, indeed, that is often

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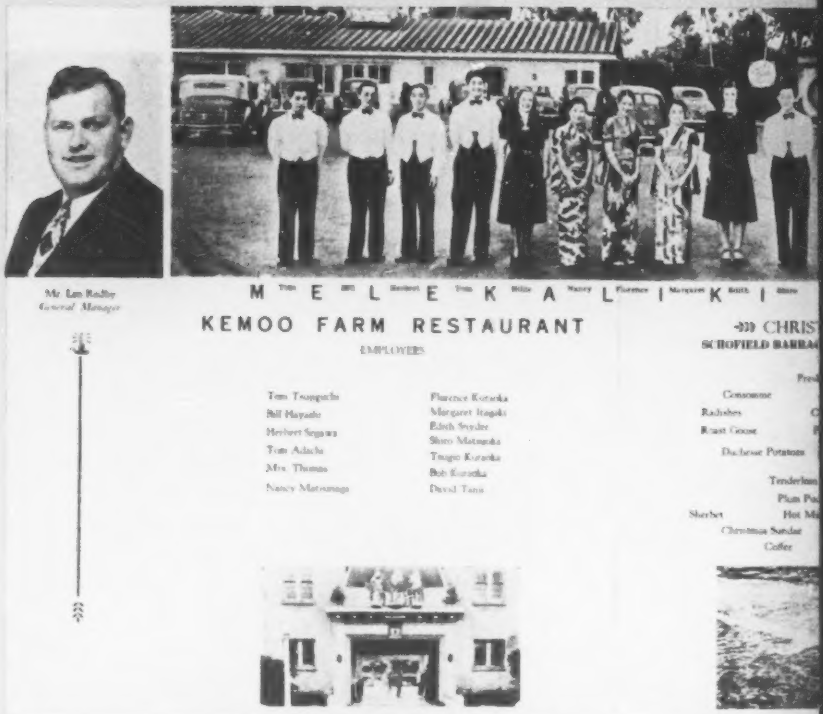
Anne Papa is a communications specialist for the National Restaurant Associaton.



Mr. Leo Rodby
General Manager

M E L E K A L I K I

Tom
Bill
Herbert
Tom
Millie
Nancy
Florence
Margaret
Edith
Shiro

KEMOO FARM RESTAURANT

EMPLOYEES

Tom Tsuneguchi
Bill Hayashi
Herbert Segawa
Tom Adachi
Mrs. Thomas
Nancy Matsunaga

Florence Kuraoka
Margaret Itagaki
Edith Snyder
Shiro Matsuoka
Tsugio Kuraoka
Bob Kuraoka
David Tanu

CHRIS
SCHOFIELD BARRA

Consomme
Radishes
Roast Goose
Duchesse Potatoes
Tenderloin
Plum Pu
Sherbet
Hot Mi
Christmas Sundae
Coffee

An early photograph of the Kemoo Farm Restaurant "family" of employees.

Bev Schmidt

E FAMILY INESS

A K , A
Mr. Joe Itagaki
Restaurant Manager
AS DINNER
DECEMBER 25,
Cocktail
Bread Sticks
Branche
Olives

inset: Margaret Kuraoka in 1940.

Christine Flynn

what they are. In addition to their regular responsibilities, such as management, accounting and marketing, non-family employees may be called upon to mediate a family discussion or to handhold a new family member who is just starting out. "Family businesses are generally less structured and less rigid than are publicly held corporations," observes Danco. "The rules of the game are different—even for non-family employees."

In fact, it is this very sense of feeling like an "adopted relative" that fosters loyalty and respect among non-family employees. Bev Schmidt, an employee of the Klingeman family of Winnetka, IL, who has been seating customers in their Indian Trail restaurant for the past nine years, puts it this way: "I feel comfortable using the collective 'we' when talking to customers, as in 'We are expanding the menu' or 'We are developing such-and-such a program.' The Klingemans are such a close-knit family that it translates to the business; we're all made to feel almost as though it is our business, too."

> **"Now, I doubt I'll ever leave. With all of the time and money I've invested, I am totally committed to the company."** ***—Wayne Judah***

Says Jim Black of Frontier Enterprises, "Even though the Hasslochers operate at full throttle, they never lose sight of the importance of family—and that goes for employees' families, too." Black recalls a time recently when his children were home sick with chicken pox. "I told Mrs. Hasslocher I needed a few days off, and she simply said, 'Fine. Take whatever time you need.' No questions, no hassles. And the first question she asked when I got back was, 'How are the kids?'" Black speculates that such concern for an employee's welfare is a natural extension in a family-owned business. "In a big corporation, you may not find such consideration," he says.

According to Leon Danco, Black's speculation holds true for many family business operations. "The demands on the family business employee are great," Danco acknowledges, "but so are the rewards. The non-family employee will likely find that the warmth and respect shared by the family will extend to him or her as well."

The advantages of being non-family

Although being treated like "one of the family" inspires loyalty and respect, non-family employees are quick to point out that not actually being part of the family has definite advantages.

"When I leave the restaurant at quitting time, I truly leave it behind," says Bev Schmidt of Indian Trail. "I don't need to think about the business during my off-hours, and I don't need to worry that I'll be called at home about work-related problems." Schmidt explains that this ability to leave the job behind is a luxury the Klingeman family does not share. "While I am certain the Klingemans don't spend morning, noon and night discussing the restaurant, for them it is always there," she says. "They are ultimately responsible for every success *and* every problem, even if they aren't actually on site."

Christine Flynn, dining room manager at Regas Restaurant in Knoxville, TN, echoes Schmidt's sentiments. In fact, Flynn first came to work for the Regas family 33 years ago because "I had a high-pressured job which I didn't want. I began waitressing at Regas because it meant less responsibility; I could simply do my job and go home." Of course, when the Regas family promoted Flynn to management, her responsibilities greatly increased. But she is still able to forget about the job when she leaves the restaurant—something that the Regas family cannot do as easily. "They can't always get away from the pressure simply by leaving the building," Flynn maintains.

As a manager, Flynn believes she has another advantage over the Regases. "Often, hourly employees will come to me before going to the family," she explains. "They are able to relate to me a little bit better. I sometimes function as a 'middle man,'

"I feel comfortable using the collective 'we' when talking to customers, as in 'We are expanding the menu' or 'We are developing such-and-such a program.'" ***—Bev Schmidt***

deciding whether or not an issue warrants the family's attention. I think this benefits both the Regases and their staff."

Finally, Wayne Judah, general manager of the Admiral Risty Restaurant in Rancho Palos Verdes, CA, points out that as a non-family employee in a family business, his opinions are highly regarded—because they are frequently more impartial. Management of the Admiral Risty is virtually left to Judah, with owners Ralph (an association honorary director) and Risty Wood coming in twice weekly for consultations. Judah says the Woods have put this trust in him because they have grown to respect his judgment. "I began giving my opinions early on—opinions which didn't always correlate with theirs," he explains. "But because I wasn't a family member, because I was not *among* the trees, I was better able to see the entire forest. My emotional detachment enabled me to be more objective." It was this objectivity, says Judah, which earned him the respect of the Wood family and his current position at the Admiral Risty.

The disadvantages

But just as there are advantages to being a non-family employee in a family business, so there are drawbacks.

While Bev Schmidt of Indian Trail generally appreciates the flexibility and informality with which the Klingemans regard their employees, she acknowledges it can sometimes create problems. She cites a recent occasion when she served jury duty, an obligation which kept her off the job for a few days. "When I approached the Klingemans about my compensation for the time I was out, I was told there was no set policy regarding jury duty," she explains. "Had I been working for a large chain, such a policy would most likely have been in place."

Schmidt adds that the lack of rigid structure within the company also occasionally creates confusion among management. "Because there are so many family members involved in the business, there is sometimes a conflict in directions," she observes. "One person says one thing, the next person says another. And there is needless repetition, with two or three people asking me to perform the same task."

Christine Flynn of Regas agrees that conflict in directions can sometimes make her job difficult. "The Regas brothers—Frank, Bill (an association past president) and Gus—are all very different," she explains. "Sometimes I feel as though I'm caught in the middle of their decision making." But Flynn and Schmidt both emphasize that these disadvantages are minimized by their bosses' willingness to listen to and heed their complaints.

"Often, hourly employees will come to me before going to the family. They are able to relate to me a little bit better. I sometimes function as a 'middle man'...." ***—Christine Flynn***

A limited opportunity for advancement is another disadvantage often faced by non-family employees in a family business, according to Leon Danco of the Center for Family Business. "No matter how good you are at cutting the grass, you're never going to own the house," says Danco. "As an employee in a family business, you need to accept the fact that the boss's kid is the only one who will someday be the boss."

Jim Black of Frontier Enterprises acknowledges that advancement opportunity may be limited in a family business, but he doesn't necessarily consider this a drawback. "No, you're never going to become president," he says, "but the odds are you won't become president of the big, publicly held corporation either." Black adds that, among the Hasslocher family, blood is not thicker than water—that is, advancement at Frontier Enterprises is based on merit rather than on family. "I feel as though I've been given as much of a chance as any of the Hasslocher children," he attests.

Says Christine Flynn, "Because there are so many Regas family members involved in the business, an outsider hoping to move up might find it difficult. However," she adds, "in my 33 years here, I've never seen any opportunity denied to an employee."

A contented lot

Finally, does long-term employment within a family business inspire non-family members to branch out—to start family businesses of their own? Not necessarily, says Leon Danco. "True, employees do have a front-row seat on their bosses' entrepreneurship and success," Danco notes, "but they also witness the pressures, the investments, the sleepless nights. The downside helps make the non-family employee perfectly content with his or her lot."

Jim Black says that after almost a decade with the Hasslochers, he is not ready to start his own business anytime soon. "It's easy to get caught up in the zeal, the 'entrepreneurial spirit,' but there's more to it than that," he says. "You need to weigh both sides. Quite honestly, I would not want to put the pressure and tensions on my family. I'm perfectly happy with what I'm doing."

Wayne Judah of the Admiral Risty says he did consider opening his own restaurant at one point. "I'd been with the company for a while, and I realized I needed something more—either to gain equity in the company or to open my own place," he recalls. "So I sat down with the Woods. We discussed my needs *and* their needs and came to a resolution." Today, Judah owns 10 percent of the restaurant's stock. "Now, I doubt I'll ever leave," he says. "With all of the time and money I've invested, I am totally committed to the company." ❑

The jury is still out on monosodium glutamate

Monosodium glutamate (MSG) has been used as a flavor enhancer for more than 70 years, but it continues to be controversial. Although MSG is a food additive approved by the Food and Drug Administration (FDA), it has been implicated as causing reactions in sensitive people. However, recent studies indicate it may be rarer than once thought.

Safety issues

MSG is the sodium salt of glutamic acid or glutamate, a protein component. Technically classified as a "flavor potentiator," MSG is odorless and flavorless, but enhances the flavor of food to which it is added. Scientists have been unable to determine how MSG works. Some speculate that it may enhance our taste perception, thus increasing a food flavor intensity.

Glutamate occurs naturally in foods. In fact, the ancient Japanese often used seaweed, a good source of glutamate, in soups and stocks. But it was not until 1908 that glutamate was isolated and recognized as the cause of the seaweed's flavor-enhancing capabilities. Tomatoes and mushrooms, also high in glutamate, have traditionally been used to perk up otherwise bland foods, such as pasta.

FDA classifies MSG as a GRAS (generally recognized as safe) food additive and considers it a useful flavor enhancer. According to a 1980 report commissioned by FDA, there is no evidence to suspect that MSG, at current levels of use, is hazardous to the public. It is estimated that, in the United States, average MSG intake ranges from one-half to one gram per day. Yet, the authors of the report pointed out that without more data it is not possible to determine whether a significant increase in consumption would be hazardous.

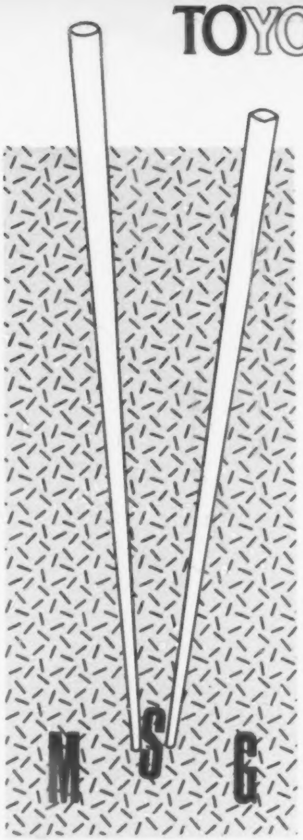
MSG is a significant source of sodium; approximately 12 percent of this food additive is sodium. One teaspoon of MSG provides 615 milligrams of sodium. Although its sodium content is lower than table salt—2,100 milligrams per teaspoon—it is generally recommended that people limiting their sodium intake steer clear of MSG.

MSG does not pose any threat to unborn babies because it does not cross the placenta (the semi-permeable membrane between a growing fetus and its mother) and it does not affect the mother's milk.

Chinese Restaurant Syndrome

MSG has been implicated as the cause of the so-called "Chinese Restaurant Syndrome." This food sensitivity is commonly characterized by three symptoms: increased facial pressure, chest pain and a burning, tight or tingling sensation in the upper trunk. This reaction is often dose-related, becoming more severe with increasing consumption, and self-limiting, beginning about 15 minutes after intake and lasting about one hour.

Chinese Restaurant Syndrome became well-known in the late 1960s when a letter from Dr. Kwok, a Chinese physician, appeared in the *New England Journal of Medicine.* He described symptoms that occurred after eating Chinese food in American restaurants, but not after eating home-cooked Chinese food. Follow-up correspondence suggested the symptoms were produced by MSG, thus establishing the relationship between MSG and the syndrome.



Almost 20 years have passed since Dr. Kwok's letter appeared in the *New England Journal of Medicine,* and scientists are still trying to document MSG as a cause of Chinese Restaurant Syndrome. "The jury is still out. The mystery persists. We are not much closer to an understanding than we were 17 or 18 years ago," says Dr. Richard Kenney, professor of physiology at George Washington University Medical School in Washington, DC. Kenney, a prominent MSG researcher, describes the dilemma: "Some people who experience discomfort believed to be caused by MSG don't react in a laboratory test. They report burning sensations, but objectively there are no changes in skin temperature. They say they feel flushed, but there's no evidence of increased blood flow."

Kenney speculates that all the publicity over MSG and Chinese Restaurant Syndrome has resulted in a tendency to inappropriately associate the sensitivity with MSG. "In a large study (3,000 people), we found that those who had heard of Chinese Restaurant Syndrome and believe they know what it is were 10 times more likely than the general population to report the symptoms," Kenney says.

"It looks as though a reaction to MSG may exist, but it's rarer than we thought. As a wild guess, I estimate that about one to two percent of the population could react to the amount of MSG used in foods, but this isn't a reliable figure," he cautions.

His advice to restaurateurs: "MSG has a function, as all condiments do, to increase the enjoyment of food. This adds a positive value nutritionally. My experience in the lab shows that beyond a low dose, MSG actually degrades flavor. Therefore, it probably isn't being used in large amounts, and the incidence of adverse reactions should be low."

Kenney was asked if he recommended that operators using MSG put a notice on their menus. "That's a difficult question. I don't really know. Should they print a notice that they use other condiments, like Tabasco or soy sauce?" he ponders.

Given the number of people who believe they react to MSG, wise restaurateurs will be prepared to answer questions about its use in their operations.

—Claire Regan, R.D.

Grisanti nominated association Chairman

Last month during its winter meeting, the National Restaurant Association Board of Directors approved the nomination of Michael Grisanti as Chairman of the Board and President.

Nominating Committee Chairman James A. Collins also put forward the names of Jim L. Peterson and Harris "Bud" Rusitzky to serve as Vice President and Treasurer, respectively. Both nominations were approved by unanimous vote.

Grisanti is president of Louisville, KY-based Grisanti, Inc., a division of Imasco USA, Inc., which operates restaurants in Kentucky, Nebraska, Colorado, New York and Indiana.

He is currently Vice President of the National Restaurant Association and has served the association as Treasurer and chairman of the Finance Committee, chairman of the Membership Development Committee, chairman of the Communications Committee, chairman of the Hospitality Project Task Force and chairman of the Task Force on Alcohol Awareness.

In 1979, Grisanti represented the association at the ANUGA Food Expo in Cologne, West Germany, and in 1983 represented the association on the Board of Directors of the Mexican Restaurant Association.

Grisanti was an elected delegate to the 1980 White House Conference on Small Business. He was also cofounder and vice chairman of the Third Century, a group of young professionals dedicated to the revitalization of downtown Louisville. He is active in many other Louisville organizations.

In 1981, Grisanti was the recipient of the prestigious Ivy Award, bestowed by his peers for achieving excellence in foodservice.

Jim Peterson, who was nominated to serve as Vice President, is president and chief executive officer of Whataburger Inc. (Corpus Christi, TX), which operates 350 fast food units throughout the southwest.

Currently serving as the association's Treasurer, Peterson received the Gold Chain and the Multi-Unit Foodservice Operator of the Year Award. In 1983, he was awarded the coveted Silver Plate Award as Foodservice Operator of the Year.

"Bud" Rusitzky, who was nominated to serve as Treasurer, is president and founder of Serv-Rite Food Service and Consulting Corporation (Pittsford, NY). He is currently chairman of the board of the Culinary Institute of America and is past president of the New York State Restaurant Association. He has served on the National Restaurant Association Board since October 1977.

The membership is expected to approve this slate of officers during the general membership meeting at the association's Show in Chicago this May. The officers will then serve a one-year term.

Sen. Lowell Weicker (R-CT), chairman of the Senate Small Business Commitee from 1981–1986, addressed the association's recent winter Board meeting in Florida. Weicker said he opposed the Reagan administration's proposal to increase employer FICA taxes on tips. He also predicted that some type of minimum wage increase would be passed by this Congress but that it would be a moderate one. Looking on is John R. Farquharson (ARASERVE; Philadelphia, PA), chairman of the association's Government Relations Committee.

Board establishes Larry Hilaire Scholarship

At its winter Board meeting, the National Restaurant Association's Board of Directors allocated $10,000 toward a scholarship in memory of industry leader Larry Hilaire, who died last December at the age of 80. The Larry Hilaire Scholarship Award, to be administered by the educational foundation of the National Restaurant Association, will award an annual scholarship to a student majoring in hotel, restaurant and institution management.

In announcing the scholarship, association President G. "Jim" Hasslocher said, "Larry Hilaire's contribution to the National Restaurant Association, as an active member of the board for 40 years, was invaluable. But this contribution is surpassed by his service to the foodservice industry and to the city of Portland, Oregon, where he lived and worked."

The son of a half-French, half-Belgian butcher and his Dutch-born wife, he got his start in the restaurant business as a soda jerk—a "sweet-water chemist," he termed it—at a Portland soda fountain and confectionery store. After graduating from the University of Oregon in Portland, he held a succession of foodservice positions in other West Coast cities. But Portland was home, and in 1933 Hilaire returned to open his own restaurant, Hilaire's. Dinner on opening day cost 35 cents.

Hilaire later opened Hilaire's Encore, also in Portland. Both restaurants were favorites among Portland residents until 1984, when a decline in downtown business and poor health caused Hilaire to close both establishments after 50 years and three months in business. He continued to maintain interests in numerous Portland business properties, many of them restaurants.

Throughout his career, Hilaire was a tireless civic leader who devoted endless time and energy to city, state and national projects. During his year as president of the National Restaurant Association, an office he held in 1957, Hilaire visited almost every state in the union—usually in his own automobile—to encourage the growth of the state restaurant associations. Where such an organization did not exist, he was instrumental in laying plans for its founding.

Fisher's Law #81

10 rules for board meetings

Most business organizations establish a board of directors which exercises management oversight and fiduciary responsibilities on behalf of shareholders. These boards hold periodic meetings. Although I have observed that different boards function in different ways, I think every board should adopt some generic rules of conduct. Here they are.

1. **No jumping.** There are times when the company may reach certain milestones, such as achieving a record year or getting its price in a merger negotiation. Despite impulses to the contrary, jumping *up* to give another director a "high five" should not be allowed out of health and safety considerations for those whose feet have not left the ground for many, many years. There are also times when things may not go well with the company, and jumping *down* or jumping *out* should not be allowed either because that represents really bad taste and can cause image problems for the company.

2. **No fisticuffs.** On occasion, slight differences of opinion may occur between board members—not on matters such as increasing the compensation paid to directors or whether there should be a directors' retreat at a plush resort—but on everyday matters, such as raising the debt/equity ratio to 9:1, selling off the asset base of the company, etc. Even though such matters are trivial, no fisticuffs should be allowed in the boardroom. Fisticuffs can lead to handcuffs as well as to newspaper reports, and that could tarnish the image of the company. To settle disputes, directors should move outside to the parking lot where tables and chairs don't get in the way.

3. **No name-calling.** Every so often, when differences of opinion are expressed, there is the temptation to call another director a name. This should not be done because most of the directors will not know the definitions of such words as "prestidigitator" (trickster), "necromancer" (sorcerer) or "mummer" (actor).

4. **No solicitations.** The boardroom is not the place to try to raise money from other directors for other causes. The best time to do this is when you have offered some fellow directors a ride home. That is when you have the upper hand. If they don't agree to make a contribution, you can drop them off and let them walk home. The word will get around fast, and you'll get your pledges or you won't have to worry about taking anyone home in the future.

5. **No snoring.** This should be self-explanatory. The reason snoring should be disallowed is that it awakens other non-snoring directors who have the courtesy to sleep in silence. Furthermore, snoring can be misinterpreted as a vocal sign of approval for the agenda item under discussion, and snoring is really not the appropriate signal. The appropriate signal is the slight nodding of the head, which most sleeping, non-snoring directors have perfected.

6. **No joking.** The boardroom is no place for jocularity, joviality and jest. Director responsibilities are serious (that's why directors' and officers' liability insurance premiums have skyrocketed). No one is interested in or amused by humor or word traps such as:

Boss: "Do you know how to keep an unproductive employee in suspense?"

Employee: "No! How?"

Boss: "I'll tell you on Friday!"

Such banter does nothing to foster camaraderie, and it detracts from the real purpose of the board meeting which is to excoriate management, create internal intrigue and press for better refreshments.

7. **No agenda.** When management prepares a tightly drawn written agenda for the meeting, there is too much room for manipulation, such as putting important issues last so that management's recommendations are accepted since there is no time to discuss alternatives. That is why board meetings should be held without a structured agenda. This also allows for a cacophony of side conversations, which each individual director considers to be more important than the general discussion anyway.

8. **No compromises.** Business is not primarily politics; it is primarily economics. While politics may be the art of compromise, business is the science of growth through investment. Accordingly, the board should never compromise on internal or external issues. It should hammer out a hard-and-fast position and not budge from it under any circumstances. After all, boards have to stand—or sit—for something, and, if the board compromises, it will get the reputation of being an "easy" board.

9. **No comment.** The board meeting is no place for great oration. The adjoining lounge is the best place because it is likely to have a mirror, which can allow for immediate feedback and body posturing, plus some plumbing acoustics to underscore major statements. In the boardroom, a quiet director is likely to be a re-electable director.

10. **No motions.** There should be no verbal or physical motions. Verbal motions clutter up the records, take time, stimulate debate, often require costly outside research or consultants and generally create havoc with management's scheming. Physical motions should not be allowed either, such as table pounding (bad for the furniture), foot stomping (bothersome to the inhabitants on the floor below), chest beating (too often accompanied by a Tarzan yell) or standing up and walking around (shows secret desire to be on the golf course). Slow motion is not acceptable either.

Fisher's Law #81. ***If you follow these rules for your board of director meetings, you will have your directors bored at the meetings.***

1985 analysis

Franchise sector continues to diversify

Franchise restaurant sales totaled $47.7 billion in 1985—up 9.9 percent over 1984. There were 73,892 units in operation—4.9 percent more than in the prior year. Operators expected the rate of both sales and unit growth to pick up in 1986. In 1987, sales are forecast to approach $58 billion, and nearly 86,000 franchise units should be open for business.

Franchisors and franchisees operating in the mid-1980s face an environment in which competition is stiffer and avenues of growth are often difficult to find. Responses to these tougher business conditions have been varied. Many firms have taken a "back-to-basics" approach to their business by placing renewed emphasis on food and service quality. Signature menu items and/or methods of service are again in the spotlight as operators hope to capitalize on what it is they do best to boost customer counts.

Increased competition has caused further diversification within the franchise sector. Menu expansion is taking place at a rapid rate, and unique operating methods have caught the attention of many. Drive-thru-only units, mini-units, mobile units and delivery are among the developing service options playing a more important role in recent years. Some franchisees have created their own concepts and now wear both franchisee and franchisor caps. Others have taken on new concepts to become dual franchisees. Regardless of which approach is taken, the aim is to spread risk and fuel growth, especially in highly saturated markets.

The recent wave of mergers and acquisitions has also contributed to the growing complexity of the franchise system. And aggressive marketing, including advertising campaigns aimed directly at competitors, has become commonplace and has sparked heated battles over market share.

Consumer preferences are also shaping the direction taken by franchise restaurants. An aging public with more sophisticated tastes has operators scrambling to update their images through major remodeling programs. Growing interest in health and nutrition has ignited a debate over the nutritional value of some restaurant fare. In response, franchise operators have revamped menus to include some lighter items, such as soups and salads, and altered preparation methods. They also have made nutritional information more readily available to their patrons.

Higher levels of consumer debt and greater concern over the price/value offered by restaurants have pushed promotional activity to record levels. Coupons, sweepstakes, games and special events are being used to entice consumers to spend their food dollars in restaurants. Moreover, fast-paced lifestyles have consumers clamoring for convenient meals, causing stepped up expansion of takeout and delivery services at franchised restaurants.

A significant part of the restaurant industry

According to the U.S. Department of Commerce's *Franchising in the Economy, 1985–1987* survey,* franchise restaurants represent one of the largest sectors of the total franchising industry. With nearly 74,000 units in operation in 1985, franchise restaurants ranked second in size among all franchise businesses. Sales of $47.7 billion placed them in fourth place in terms of dollar volume. Franchise restaurants also comprise a large slice of total eating places, accounting for about 30 percent of eating place units and 43 percent of sales in 1985. Five years earlier, franchise restaurants held a 25-percent share of eating place units and a 39-percent share of sales.

Although many small entrepreneurs are involved in or own restaurant franchises, larger organizations play a more significant role. The 13 largest firms (those with more than 1,000 units) added about 3,000 units in 1985, bringing their market share to 55 percent. In the prior year, these firms held a 53-percent share of the market. Sales in this group rose from $26.2 billion in 1984 to $28.6 billion by the close of 1985. However, the share of total sales slipped by a small margin.

Although the largest firms made healthy gains in 1985, they were eclipsed by the second tier of firms—those with 501 to 1,000 units. One new firm joined the group, bringing the group total to 17. This contributed in part to the group's dramatic 20-

[illegible]

In 1985, large firms dominated the franchise restaurant industry

	Establishments			Sales		
Firm size	**Total units**	**Percent change[1]**	**Share[2]**	**Total sales (in billions)**	**Percent change[1]**	**Share[2]**
1001 +	40,296	7.6%	54.5%	$28.6	9.4%	60.1%
501–1000	11,331	7.1	15.3	6.0	19.6	12.6
151–500	10,925	−1.5	14.8	6.9	9.2	14.5
51–150	5,830	0.4	7.9	3.0	3.9	6.3
11–50	4,770	−0.2	6.5	2.7	3.9	5.7
1–10	740	−4.0	1.0	0.4	0.8	0.8

[1] Percent change is over the prior year.

[2] Share is of total franchise restaurant units and sales.

Source: *Franchising in the Economy, 1985–1987*, U.S. Department of Commerce, 1987 percent rise in sales—the largest increase across all the franchisor groups. These medium-sized firms accounted for 13 percent of all franchise restaurant sales in 1985—up one percent over 1984.

In 1985, firms with between 151 and 500 stores and those with 50 to 151 units both suffered a drop in total number of units, but they were still able to register modest gains in total sales. Smaller franchisors had a somewhat tougher time, however. Those owners with 10 or fewer units saw their numbers drop by four percent, and the group's sales slid to $374 million.

Service options available at franchise restaurants, 1985

Drive-thru and self-service are most popular service options at franchise restaurants

	Number of firms	
Restaurant type	**Drive-in, drive-thru or self-service**	**Waiter/ waitress service**
Hamburger	99	6
Pizza	73	29
Chicken	28	2
Mexican	22	14
Seafood	7	7
Steak/full menu	20	97
Pancake	0	13
Sandwich/other	49	4
Total	**298**	**172**

Source: *Franchising in the Economy, 1985–1987*, U.S. Department of Commerce, 1987

Franchise restaurant sales and units

By the close of 1987, there should be more than 86,000 franchise restaurants in operation, with sales reaching $58 billion

	Number of units		Sales	
	Company-owned	**Franchisee-owned**	**Company-owned**	**Franchisee-owned**
1975	11,685	31,298	$4.0	$8.2
1980	17,826	42,133	9.1	18.7
1985	23,574	50,318	17.3	30.4
1986*	24,372	53,916	18.3	33.2
1987*	26,293	60,106	20.4	37.6

*Figures are estimated by the survey respondents.
Source: *Franchising in the Economy, 1985–1987*, U.S. Department of Commerce, 1987

A choice of service

Customers of franchise restaurants not only have a variety of menus to choose from, but they also have some options in terms of service. For that quick bite to eat on the way to the office or for a takeout meal to munch while watching television, drive-thru, drive-in or self-service may be the choice. On the other hand, when a more relaxing meal out is called for, consumers can look to franchise restaurants offering waiter/waitress service.

A total of 298 franchise restaurant firms had drive-thru or self-service options available to customers, representing 63 percent of all firms and 172, or 37 percent, had waiter/waitress service. These proportions are unchanged from 1984. Not surprisingly, drive-thru and self-service are more widely available at franchise restaurants that tend to be fast food places. More than 90 percent of the hamburger, chicken and sandwich franchise firms offer drive-thru and/or self-service as do about three-fourths of the pizza firms. Furthermore, hamburger places accounted for one-third of all franchised restaurants that had these service options in 1985, and pizza places had a 25 percent share.

Waiter/waitress service was found most readily at steak/full menu and pancake franchise restaurants. Ninety-seven of the 117 steak/full

Highlights

□ The franchise restaurant industry continued to expand in 1985. Sales topped $47.7 billion, and there were 73,892 units in operation. Estimates for 1986 indicate sales should total $51.5 billion and the number of franchise restaurants should climb to 78,288. By the end of 1987, operators forecast sales will reach $58.0 billion and 86,399 units will be open for business.

□ In 1987, franchise restaurants are expected to account for nearly 46.0 percent of total eating place sales, up from 43.0 percent in 1985.

□ Pizza franchise restaurants recorded the strongest gains in both sales and number of units in 1985—up 26.0 and 11.6 percent, respectively. However, in 1986, sandwich franchise operators were expected to grow more quickly than pizza operators. By the close of 1987, sales in the sandwich segment are forecast to hit the $1.1-billion mark.

□ Sales and unit estimates for 1987 indicate that hamburger places will continue to dominate the franchise restaurant industry, accounting for one-half of total sales and 40.0 percent of units. Steak/full menu restaurants will rank second in share of sales—16.4 percent. Pizza places will rank number two in share of units, 21.0 percent.

□ Sales at franchise donut and ice cream/yogurt shops were $2.3 billion in 1985. They are forecast to total $2.9 billion in 1987.

□ A total of 61 franchise restaurant firms operated 6,122 international units in 1985. In comparison, 67 firms had 5,990 units open in foreign countries in 1984. Canada (1,542 units) and Japan (1,436 units) had the highest concentration of U.S. franchise units.

The U.S. Department of Commerce's Franchising in the Economy, 1985–1987 *survey contains current information for 470 franchise restaurant firms operating 73,892 company-owned and franchisee-owned units across the United States.*

menu firms operating franchises in 1985 provided waiter/waitress service, accounting for 56 percent of all firms with waitstaffs. Waiter/waitress service was the only method of service available at pancake franchise restaurants that year. One-half of the seafood franchise firms used waiters/waitresses to serve their customers in 1985, the same proportion which had drive-thru or self-service options to offer patrons.

Franchise restaurant sales and units by restaurant type

Pizza places made the biggest gains in 1985

Restaurant type	Number of units	Share of total number of franchise units	Sales (in billions)	Share of total franchise restaurant sales
Hamburger	30,563	41.4%	$23.4	49.1%
Pizza	14,174	19.2*	6.2	13.0*
Chicken	8,720	11.8	4.1	8.6
Mexican	4,125	5.6*	2.4	5.0*
Seafood	2,423	3.3	1.2	2.6*
Steak/full menu	9,466	12.8	8.6	18.0
Pancake	1,761	2.4	1.1	2.3
Sandwich/other	2,660	3.6	0.7	1.4

**Denotes those segments that increased their share of the total market since 1984*

Source: *Franchising in the Economy, 1985–1987*, U.S. Department of Commerce, 1987

Pizza place sales surge

All segments of the franchise restaurant industry saw sales rise by at least five percent in 1985, with many registering double-digit increases. Unit growth lagged behind sales for the most part, but the majority of segments made respectable gains.

Pizza places made the largest gains in 1985. Their share of total sales was 13.0 percent, and they held a 19.2-percent share of the total number of units—up from 11.3 percent and 18.0 percent, respectively, from the year before. Sales surged to $6.2 billion—up nearly 26 percent over 1984—and the number of pizza places rose by 11.6 percent. Company-owned pizza restaurants set the pace for sales growth, while franchisee-owned stores fueled overall unit growth.

The recent explosion in the pizza segment can be traced to aggressive promotion, expansion of home delivery service and operators' experimentation with new varieties of pizza items designed to satisfy customers' yen for unique taste sensations. Pizza franchise expansion is expected to have continued in 1986 and is forecast to remain strong in 1987.

Other successful concepts in 1985 included Mexican franchise restaurants and seafood places. Total sales at Mexican restaurants topped $2.4 billion in 1985—up 13.6 percent over the prior year. Company-owned stores led the way with a 30.0-percent increase in sales. Mexican franchise restaurants upped their share of the total market to 5.6 percent in 1985, thanks to a 9.3-percent rise in the total number of establishments.

Among seafood franchise restaurants, both company and franchisee-owned stores contributed to the 12.9-percent increase in total sales. The number of seafood establishments open for business reached 2,423 in 1985, representing 33.0 percent of all franchise restaurants. Seafood franchise operators expect the segment to continue expanding through 1987.

Sandwich franchise operators are exploring ways to snatch a piece of the giant fast food market. They are hoping their focus on fresh ingredients and made-to-order service will help them achieve their goal. Signs indicate their strategy may be working. Since 1980, these operators increased their stake in the franchise restaurant industry and recorded several years of explosive growth. In fact, compared to 1983 and 1984, when sales grew by more than 20 percent, 1985 looked like a slow year. Sales climbed 8.8 percent to just over $680 million, and unit growth occurred at half that pace. Sandwich operators expect to hop back on the fast track, pushing sales over the one-billion-dollar mark and units to 4,200 by the end of the year.

Not all franchise restaurant operators have experienced rapid expansion in recent years. Some segments had to rethink strategies to keep pace with changing consumer preferences. The introduction of breakfast by fast food feeders began chipping away at pancake franchise restaurants' share of the morning market, and dinnerhouses have caused them to worry about their dinner trade.

For steak/full menu operators, it has been the drop in red meat consumption that has caused the most concern. Operators in both segments are battling back. Pancake operators have come out with aggressive marketing schemes that tout their full breakfast deals, and they have revamped lunch and dinner menus. Sales in this segment totaled $1.2 billion in 1985—up nearly 12.0 percent over 1984. The number of units expanded by 3.3 percent. Franchisee-owned units outdistanced company-owned stores in both sales and unit growth.

Steak franchise operators have followed a similar strategy by expanding menus to include more fish, poultry and pasta dishes along with their signature beef entrees. Soup, salad and dessert bars have cropped up, and many chains are sporting updated looks to appeal to today's more sophisticated consumers. The number of franchise steak/full menu restaurants declined by one percent in 1985, but sales advanced by 10.2 percent. In addition, average per-unit sales advanced 11.4 percent. A further 2.8-percent drop in the number of stores was expected for 1986, but operators hope to reap positive returns from their repositioning efforts this year.

Hamburger restaurants, long the driving force behind the expansion of the franchise restaurant industry, have begun to feel the heat of competition as operators in other segments attempt to

Percent change in sales and number of units at franchise donut and ice cream/yogurt shops

Continued growth is expected for donut and ice cream/yogurt shops

Type of establishment	Percent change in number of units*			Percent change in sales*		
	1985	1986	1987	1985	1986	1987
Donut	52.5%	5.2%	8.8%	41.5%	9.1%	14.4%
Ice cream/yogurt	15.4	13.0	16.3	30.2	12.2	16.0
Total	**24.9%**	**10.5%**	**14.3%**	**35.2%**	**10.8%**	**15.2%**

*Percent change is over prior year. Data for 1986 and 1987 were estimated by survey respondents.
Source: *Franchising in the Economy, 1985–1987*, U.S. Department of Commerce, 1987

Projected franchise restaurant sales and units for 1986 and 1987

Sandwich places expect to post the fastest growth in both 1986 and 1987

Restaurant type	Percent change*			
	Number of units		Sales	
	1986	1987	1986	1987
Hamburger	4.8%	7.8%	9.4%	11.6%
Pizza	12.0	14.1	12.0	16.3
Chicken	5.7	7.2	9.0	11.3
Mexican	7.4	11.7	7.1	12.1
Seafood	6.0	10.0	11.7	12.6
Steak/full menu	−2.8	7.1	0.2	11.2
Pancake	3.2	9.0	6.2	9.9
Sandwich/other	17.9	35.7	19.4	35.8
Total	**5.9%**	**10.4%**	**8.0%**	**12.[illegible]**

*Percent change is over the prior year and is based on figures estimated by survey respondents.
Source: *Franchising in the Economy, 1985–1987*, U.S. Department of Commerce, 1987

build market share. Moreover, some hamburger operators are facing near-saturation points in metropolitan markets, causing a squeeze on profit margins and forcing them to develop alternate growth strategies. Menu expansion has been one response as have mobile units and double drive-thru windows.

Despite these changes, hamburger places have lost some ground. All other segments, but one, outdistanced hamburger franchise restaurants in terms of sales growth in 1985, and the hamburger segment's share of total franchise restaurant sales and units slipped. Nonetheless, hamburger operators still held the largest share of the market with sales of $23.4 billion in 1985, and average sales per unit climbed by 4.4 percent. Moreover, operators foresee a healthy future. They project that sales will reach $28.9 billion by 1987.

Chicken places recorded the slowest increase in total sales in 1985, and unit growth was under two percent. Sales totaled $4.1 billion—5.9 percent above their 1984 levels. However, the rise did not offset the segment's decreased share of total sales (from 9.0 to 8.6 percent). Franchise operators of chicken establishments expect sales and unit growth to perk up, due in part to increased consumption of poultry products. By 1987, sales should reach nearly five billion dollars, with 9,883 units expected to be open for business.

Donut, ice cream/ yogurt shops do well

Franchise donut and ice cream/yogurt operators made impressive gains in 1985; sales topped the $2.3 billion mark. Because these types of establishments are classified "food retailers other than convenience stores" by the U.S. Department of Commerce's franchising survey, their sales and unit data are not included with that for other types of franchise restaurants. Nevertheless, they represent a significant and growing sector of the franchise foodservice industry.

Responding to the ever-growing consumer demand for convenience and diversified menus, franchise donut shops have added everything from fresh-baked muffins and croissant sandwiches to cookies and soups. Expansion has paid off. Sales reached $1.1 billion in 1985. A dramatic increase in sales at company-owned stores helped boost total sales by 41.5 percent over the prior year. One donut firm entered the franchising arena in 1985, bringing the segment's total to 22 firms. It also helped to increase the number of franchising donut shops from 2,318 in 1984 to 3,535 in 1985. Donut shops hope to further their niche in the market in 1986 and 1987 and expect to have more than 4,000 units in operation by the close of 1987. Sales are expected to reach $1.3 billion by that time.

Ice cream/yogurt franchise establishments also enjoyed much success in 1985. Sales climbed to $1.2 billion—a healthy 30.2-percent increase over the previous year. There were 7,772 units open for business in 1985—up from 6,736 in 1984. The proliferation of superpremium ice creams is largely responsible for the expansion of this segment. But consumers who crave a frozen treat and still want to adhere to their diets are finding that yogurt shops are ready and willing to satisfy their desire. Improved taste and a battery of unusual flavors are attracting customers, helping many young chains establish a foothold in the market. Franchise operators of ice cream/ yogurt shops are optimistic about their future, projecting double-digit increases in both sales and unit growth in 1986 and 1987.

Overseas expansion continues strong

Language barriers, cultural differences and complex bureaucracies have not dissuaded franchise restaurant operators from expanding their operations outside the United States. In fact, among all franchised businesses, restaurateurs show the greatest enthusiasm for international expansion. A total of 61 firms operated 6,122 units on foreign soil in 1985, down slightly from 1984. Canada and Japan were the two largest markets for American franchise restaurateurs; together they held nearly 50 percent of the market in 1985. However, the number of units operated in each country declined in 1985—from 1,591 to 1,542 in Canada because of a drop in the number of franchise hamburger units and from 1,490 to 1,436 in Japan partly because of a sharp drop in the number of steak/full menu franchise restaurants.

Franchise restaurant firms have increasingly turned their attention to many of the world's developing nations. They are attracted by budding economies, large populations and rising levels of disposable income. Among the areas under scrutiny are Asian countries outside Japan, African nations and countries in South America. In 1985, the number of American franchise restaurants in Asian countries, excluding Japan, rose by 15.8 percent to 499. There were nearly 200 units on the continent of Africa—up from 172 in 1984, and the number of stores in South America increased 10.1 percent.

Hamburger and chicken franchise restaurants have led the way in overseas expansion and continue to dominate the market. Fifty-three percent of all international franchise restaurants specialized in hamburgers in 1985; 30.7 percent featured chicken. Both segments operated more units worldwide. There were 3,251 hamburger places operating on foreign soil in 1985—an increase of 4.3 percent over 1984—and 1,878 chicken restaurants—a 6.9-percent increase. In 1985, hamburger franchise operators focused efforts on the United Kingdom (U.K.), Asia, South America and New Zealand. They opened their first units in Mexico and shuttered stores in Canada and the Caribbean. Despite the closings, Canada remained the biggest foreign market for hamburger franchise operators.

Japan is the primary market for chicken franchise operators; 29 percent of all international units were located in that country in 1985. The U.K. had the second-largest share—19.8 percent. American chicken fran-

A look into the future

According to an International Franchise Association (IFA) study conducted by The Naisbitt Group,* franchise restaurants will record the largest dollar volume increase of all franchise industries over the next several years. By 1990, Naisbitt forecasts franchise restaurant sales will reach $86.1 billion—an increase of more than 80 percent in five years. Although this projection will probably prove to be overly optimistic, franchise restaurants will retain a dominant position in the franchise sector. These are some trends the IFA study suggests will have the greatest effect on franchise restaurant growth in the next 15 years.

□ **Convenience.** It is no secret that increasing time pressures faced by many consumers have been a boon for franchise restaurants. Heightened interest in convenience has already spawned changes in the industry. The emergence of more self-service and drive-thru options and the recent explosion in delivery are only several examples. The trend toward convenience is not expected to diminish. In fact, it is expected to trigger renewed interest in service speed and efficiency.

□ **Quality.** Consumers are increasingly unwilling to sacrifice quality for convenience or lower prices. Higher levels of income and more sophisticated tastes have raised consumer expectations for the quality of franchise restaurant foods. Franchise operators must offer consistently high-quality food and service at reasonable prices. Reaction to this trend can already be seen in the "back to basics" approach being adopted by many chains. Quality will become an even more important marketing tool in an era of slower growth as franchise operators seek ways to differentiate themselves from their competition.

□ **Specialization.** The combined effects of the trends toward convenience and quality will produce greater specialization among franchise restaurateurs. The wider variety of consumer tastes will bring about a realization that a single operation cannot successfully be all things to all consumers. Forecasters expect to see the emergence of more limited menu, specialty franchise restaurants that fill a unique niche in the market.

□ **Minority Involvement.** Aggressive recruitment programs sponsored by major fast food franchisers have brought more women and minorities into the franchise fold. These efforts will undoubtedly continue into the future. New immigrants will also play an increasing role in the franchise restaurant industry, providing an alternate labor pool in the face of a declining teenage population. Training programs designed to shore up communication and other basic skills of these minorities will become more common in the years ahead.

□ **Government.** The growth of franchising will not go unnoticed by legislators. Efforts to regulate franchising will increase at the state level. Furthermore, declining federal support for state and local government projects may shift more of the tax burden to franchisers and franchisees. Establishing stronger ties with legislators and increasing lobbying clout at all levels will be needed to prevent actions that could stymie industry growth.

□ **Global economy.** The move to a more global economy should make it easier to export franchise agreements. As the countries of the world develop closer economic ties, consumer tastes and buying habits will begin to converge. Franchise operators may find it easier to gain acceptance for American foods on foreign soils. Furthermore, saturation of many domestic markets may force franchisers to look to overseas expansion.

**These study findings are based on telephone interviews conducted in 1985 with 100 franchisers, franchisees and other industry experts. In addition, information about major social trends that may affect franchising was collected through an exhaustive review of newspapers, magazines, books and special reports.*

Franchise donut and ice cream/yogurt [illegible]

Sales at donut and ice cream/yogurt shops topped $2.0 billion in 1985

Type of establishment	Number of units	Sales (in billions)
Donut	3,535	$1.1
Ice cream/yogurt	7,772	1.2
Total	**11,307**	**$2.3**

Source: *Franchising in the Economy, 1985–1987*, U.S. Department of Commerce, 1987

The top 12 international franchise [illegible]

Canada was the largest market for American franchise restaurants

Market	Number of units
Canada	1.542
Japan	1,436
Australia	635
United Kingdom	615
Continental Europe	539
Asia	499
Caribbean	312
Africa	195
Mexico	119
New Zealand	92
Central America	71
South America	67

Note: Figures include company-owned, franchisee owned and joint ventures.
Source: *Franchising in the Economy, 1985–1987*, U.S. Department of Commerce, 1987

International restaurant franchising grows

The number of franchise restaurants operated abroad increased by more than two percent in 1985

Restaurant	Total units	Percent change*
Hamburger	3,251	4.3%
Pizza	578	7.2
Chicken	1,878	6.9
Mexican	109	21.1
Seafood	13	18.2
Steak/full menu	271	−41.2
Pancake	15	25.0
Sandwich/other	7	133.0
Total	**6,122**	**2.2%**

*Percent change is over the prior year.
Source: *Franchising in the Economy, 1985–1987*, U.S. Department of Commerce, 1987

chise operators also increased their presence substantially in the Caribbean (20.0 percent), Asian countries other than Japan (19.1 percent) and in European countries not including the U.K. (17.0 percent). On the other hand, the number of franchise chicken stores in South America declined by more than 13 percent.

Pizza franchise restaurants are the third-largest force in the international market, a presence which has grown dramatically since the beginning of the decade. Eight pizza firms operated 263 units worldwide in 1980. By 1985, 14 firms had 578 international pizza units in operation. Australia and Canada had the largest slice of that market—147 and 127 units, respectively, and expansion continued in Japan and African nations. Franchise operators of pizza restaurants did retreat from some areas, however. They closed 18 units in continental Europe and five units in the Caribbean.

Franchise steak/full menu operators experienced a dramatic reversal in 1985. The number of international units dropped a substantial 41.2 percent, and operators closed down units in Japan, Canada and Mexico. The largest loss was seen in Japan where the number of American franchise steak places dropped by 192 units. A portion of the shrinkage seen in this segment may have been due to one firm choosing to abandon international franchising that year.

The other segments of the franchise restaurant industry play a much smaller role in the international market. Just three seafood firms and two each from the pancake and sandwich/other segments franchised restaurants in foreign countries in 1985. Together, they hold less than a one-percent share of the total international market.

—Kate Conroy

Sales and unit figures for 1985 and projections for 1986 and 1987 reported here are representative only of these 470 franchise restaurant firms and do not include any newly established firms that may have begun franchising in 1985 or any firms that have since gone out of business or abandoned the franchise system.

The survey, the only one of its kind in the United States, was completed by 2,090 franchisors, which represent 99 percent of total franchise sales and establishments. The results were compiled by Andrew Kostecka, Finance and Management Industries Division, Office of Service Industries.

For the complete report

The National Restaurant Association has prepared an in-depth report on the franchise restaurant system based on data from the U.S. Department of Commerce survey. This publication entitled *Franchise Restaurants: A Statistical Appendix to Foodservice Trends*, contains detailed information for the period 1969 to 1987.

The cost to National Restaurant Association members is $15.00 (plus $2.00 shipping and handling). The cost to non-members is $30.00 (plus $3.00 shipping and handling). Residents of Washington, DC, must add six percent sales tax. Illinois residents must add seven percent. Chicago, IL, residents must add an additional one percent sales tax, bringing their sales tax total to eight percent.

To order, contact the National Restaurant Association, 311 First St., N.W., Washington, DC 20001 or call (800) 424-5156 or (202) 638-6100. Payment must accompany all orders. Credit card orders are accepted. *Please specify number CS207 when ordering.*

Annual CREST report shows modest growth

Restaurateurs benefited from a slowly expanding economy, a modest rate of inflation and small, but steady, gains in disposable personal income in 1986. Annual growth of both sales and traffic surpassed 1985 levels.

However, growth was not even throughout the restaurant industry. Changes in consumer tastes and needs have contributed to healthy gains in some segments, while others have run into more difficult times. For example, the increased desire for convenience has fueled expansion in the quickservice segment, but has not helped midscale and upscale operators that tend to be less convenience-oriented.

Customer traffic up 2.1 percent

In 1986, customer traffic climbed 2.1 percent at all restaurants—a better performance than that seen in 1985, but below gains recorded in 1983 and 1984. Quickservice restaurants experienced another year of traffic growth of better than four percent. The evening meal was the strongest in terms of growth in customer traffic and breakfast was the weakest.

Traffic highlights

□ Customer traffic at quickservice restaurants climbed 4.8 percent in 1986—the strongest gain the segment has made in the past four years. Dramatic increases in customer counts at pizza, Mexican and Asian restaurants spurred the overall increase.

□ Midscale and upscale establishments together witnessed a 2.8-percent drop in customer counts last year. In contrast, customer counts at midscale and upscale places climbed 2.9 percent in both 1984 and 1985.

□ After a sluggish 1985 when traffic rose by just 0.1 percent, dinner came on strong last year. Customer counts at the evening meal climbed 4.8 percent in 1986. Lunch also showed an improvement over 1985. Traffic increased 1.2 percent in 1986, reversing the previous year's 0.7-percent decline.

□ Customer traffic at the morning meal dropped 1.9 percent in 1986, a dramatic turnaround from increases of 7.9 and 10.7 percent, respectively, in 1985 and 1984.

□ On-premises traffic declined by 1.2 percent at all restaurants in 1986, while customer counts for off-premises dining advanced 7.4 percent. Quickservice restaurants registered the largest gain in off-premises traffic—7.9 percent.

Restaurant industry growth
1983–1986

Sales and traffic growth in 1986 was higher than that seen in 1985

	Percent change in	
Year	**Sales**	**Traffic**
1983	5.3%	2.7%
1984	7.8	4.0
1985	3.1	1.0
1986	3.2	2.1

Note: Percent change is over the same period of the prior year
Source: GDR/CREST Enterprises, *Household Report*, 1982–1986

□ Restaurant penetration, a measure of the proportion of households in which at least one member dined out at least once in an average two-week period, edged up 0.3 percent last year to 78.0 percent. The number of households reached rose 1.4 percent.

Sales posted modest advance

Sales, measured by the CREST survey, rose by 3.2 percent in 1986. This is just slightly above the 3.1-percent pace set in 1985, but considerably less than the growth seen in both 1983 and 1984. Quickservice restaurants outdistanced the other two segments in sales growth for the fourth consecutive year. Meanwhile, breakfast, which had been the most explosive meal period, experienced a slowdown. Sales at lunch showed the largest percent growth in 1986, followed closely by growth at the evening meal.

Sales highlights

□ Sales at quickservice restaurants moved up a sharp 7.4 percent in 1986. However, this is the smallest increase the segment has recorded in the past several years. Quickservice restau-

Percent change in restaurant industry vital statistics—1986*

Quickservice restaurants turned in overall best performance in 1986

	Sales	Traffic	Number of households reached	Restaurant penetration	Use of promotions	Average check size
Segment						
Quickservice	7.4%	4.8%	2.3%	1.2%	13.1%	2.5%
Midscale	−1.2	−3.3	−2.3	−3.4	7.5	2.7
Upscale	1.0	0.3	1.9	0.8	7.1	0.7
Meal period						
Breakfast	0.3%	−1.9%	−2.1%	−3.2%	6.7%	2.2%
Lunch	4.0	1.2	0.9	−0.2	11.8	2.5
Dinner	3.7	4.8	2.1	1.0	13.5	−1.1
Total restaurants	**3.2%**	**2.1%**	**1.4%**	**0.3%**	**12.2%**	**1.2%**

Percent change is over the prior year. CREST has changed its procedures for processing some of the diary information it collects. A new "Casual Dining" segment has been added to the upscale segment. Included in this category is information for many eateries which were previously classified as midscale specialty or family-style restaurants. These changes may affect the comparability of 1986 data to prior years, particularly increases or decreases in midscale and upscale sales, traffic and average check size.
Source: GDR/CREST Enterprises, *Household Report*, 1986

rant sales rose 7.7 percent in 1985 and 10.1 and 9.2 percent in 1984 and 1983, respectively.

☐ Combined sales at midscale and upscale restaurants edged down 0.3 percent in 1986, compared to a 0.4-percent decline the prior year.

☐ Sales growth at the morning meal period came to a near halt in 1986, edging up just 0.3 percent. In contrast, sales were up 7.3 percent in 1985 and increased by more than 11.0 percent in both 1983 and 1984.

☐ Lunch sales climbed 4.0 percent last year, the largest increase of all three meal periods. This represented a substantial improvement over 1985 when sales moved up just 1.4 percent. Sales at the evening meal rose 3.7 percent.

☐ The average per-person check rose to $3.45 in 1986—1.2 percent higher than the $3.41 level of the previous year. Midscale restaurants posted the highest gain in average check size—2.7 percent—followed closely by quickservice restaurants, which experienced a 2.5-percent increase to $2.47. The average check size at upscale establishments was $8.79 in 1986, up 0.7 percent over 1985.

☐ The average per-person check at dinner dropped 1.1 percent to $4.60 in 1986. The average check size went up at the other two meal periods. Increases were 2.2 and 2.5 percent, respectively, at breakfast and lunch.

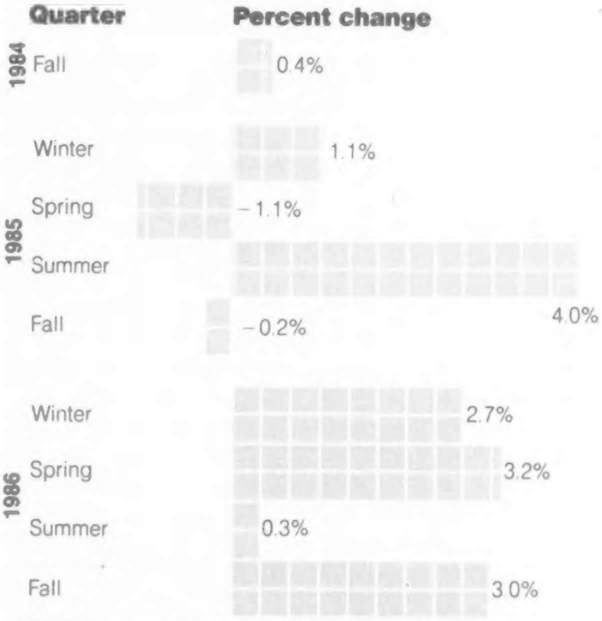
☐ Promotions were used on 12.7 percent of all customer occasions in 1986—up 12.2 percent over 1985. Use of promotions increased most at quickservice restaurants—13.1 percent. Of the three meal periods, consumer use of promotions rose the fastest at dinner—13.5 percent. —*Kate Conroy*

September–October–November

CREST Report

Percent change in quarterly traffic
fall 1984–fall 1986

Customer counts rose 3.0 percent during the 1986 fall quarter



Note: Percent change is over the same period of the prior year
Source: GDR/CREST Enterprises, *Household Report, 1984–1986*

The restaurant industry made modest gains during the last quarter of 1986. Customer counts rose 3.0 percent at the nation's restaurants during the 1986 fall quarter, a substantial improvement over the summer quarter when traffic rose by just 0.3 percent. The fall increase also exceeded the 2.7-percent rise seen in the 1986 winter quarter, but fell just short of the spring quarter's 3.2-percent advance.

The final quarter of 1986 brought no surprises for industry operators as trends, which emerged early in the year, prevailed. The evening meal period continued to make healthy strides, and lunch held its own. Breakfast continued to lag behind the other meal periods. Quickservice restaurants, buoyed by consumer interest in convenience, had the greatest effect on overall industry performance.

Industry summary*

☐ **Customer traffic** was up 3.0 percent during the 1986 fall quarter. Customer counts at breakfast dropped

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.

Approximately 10,000 families and 2,800 non-family households representing demographic patterns in the United States have been selected to participate in the study. Each household is asked to record every meal and snack experience during a particular two-week period for each of the four quarters of the year. Detailed entries are required for meals eaten or purchased away from home in establishments such as restaurants, hotels and motels, fast food/drive-in places, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, colleges or other institutional feeding places.

CREST information can help restaurateurs compare their operation's performance with that of the total industry as well as with specific restaurant categories (quickservice, midscale or upscale restaurants).

The CREST study can also provide valuable information concerning customer behavior, such as how much people spend. And, because it is an ongoing study, CREST information allows comparison against a standard—an aid in the development of trend analysis.

Readers wishing more information on the CREST study should contact GDR/CREST Enterprises, one of the NPD group of marketing and research companies, 1300 W. Higgins Road, Park Ridge, IL 60068-5798.

3.8 percent—the third decline for the year. Lunch posted a modest 3.0-percent increase in customer traffic while dinner outpaced the other two meal periods with a 5.6-percent rise in total customer counts.

☐ **Sales** at all restaurants rose by 5.4 percent because of the 3.0-percent gain in customer traffic. Lunch registered the largest increase in sales during the fall quarter—6.2 percent. Dinner was not far behind, posting a 5.7-percent increase. A decline in customer counts contributed to a weak (0.5-percent) increase in breakfast sales.

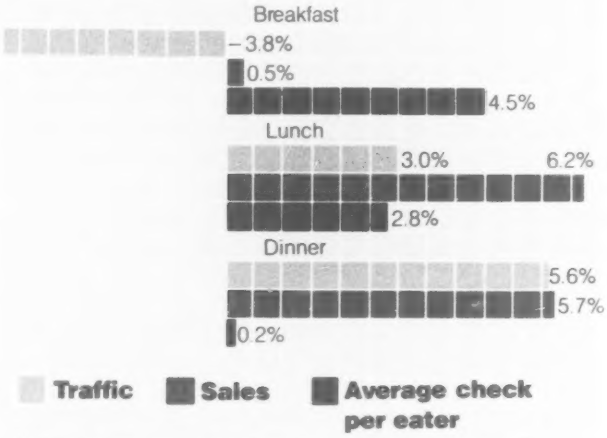
☐ **Penetration,** which is a measure of the proportion of U.S. households in which at least one member ate out at least once in an average two-week period, dropped during the fall quarter by 0.2 percent. However, the total number of households reached increased 1.4 percent.

☐ **Average check size** was $3.50 in the 1986 fall quarter, 2.6 percent higher than during the same period in 1985. Average check size increased at all three meal periods, with breakfast registering the largest increase—4.5 percent.

☐ **Use of promotions** was up 9.8 percent during the 1986 fall quarter. This was somewhat higher than the 7.0-percent increase seen in the summer quarter. Consumers made use of promotions on 13.4 percent of all occasions last fall.

Fall quarter performance by meal periods

Dinner registered the largest increase in traffic; lunch posted the highest rise in sales



Note: Percent change is over the same period of the prior year.
Source: GDR/CREST Enterprises, *Household Report*, Fall, 1986

Percent change in traffic during meal periods

fall 1984–fall 1986

Customer counts at lunch and dinner were up in every quarter in 1986

Quarter	Breakfast	Lunch	Dinner
1984			
Fall	6.5%	−2.6%	3.0%
1985			
Winter	14.2%	−0.8%	−1.8%
Spring	3.0%	−4.0%	−1.2%
Summer	11.2%	1.6%	3.3%
Fall	4.0%	0.3%	nc*
1986			
Winter	−1.5%	0.9%	6.8%
Spring	nc*	1.9%	5.7%
Summer	−2.4%	0.1%	2.2%
Fall	−3.8%	3.0%	5.6%

nc = no change
Note: Percent change is over the same period of the prior year.
Source: GDR/CREST Enterprises, *Household Report*, 1984–1986

Quickservice restaurants

☐ **Customer traffic** at quickservice restaurants increased 4.5 percent during the 1986 fall quarter, an improvement over the previous quarter's 2.5-percent rise. Ethnic quickservice places continue to propel the segment; traffic rose by more than 25.0 percent at Mexican and Asian quickservice restaurants during the fall quarter. Retail quickservice establishments also contributed to the segment's overall gain. Customer counts at these eating places advanced 22.0 percent. Barbecue restaurants suffered the steepest decline in customer counts—11.1 percent.

☐ **Sales** climbed 7.9 percent in the quickservice segment largely in response to higher customer counts.

☐ **Penetration** rose a slight 0.6 percent during the 1986 fall quarter.

☐ **Average check size** stood at $2.53 for the fall quarter—3.3 percent higher than the 1985 period.

☐ **Promotions** were used on 15.8 percent of all quickservice eater occasions—a substantial rise over the same quarter in 1985 when consumers used promotions on 14.1 percent of all occasions.

Midscale and upscale restaurants*

☐ **Customer counts** at midscale and upscale restaurants edged up 0.2 percent during the fall quarter of last year. Although overall performance remained weak, the gain in traffic was an improvement over the 1986 summer quarter when customer counts fell by 4.5 percent. Asian restaurants turned in the best performance in the midscale sector, posting a 38.3-percent rise in traffic. In the upscale segment, Italian restaurants registered the largest increase—15.8 percent.

☐ **Sales** at midscale and upscale establishments climbed a modest 3.3 percent—short of the overall industry gain of 5.4 percent and well below the 7.9-percent increase seen in the quickservice segment.

☐ **Use of promotions** was up 1.6 percent at upscale establishments in the 1986 fall quarter, but slipped 0.2 percent at midscale restaurants. Customers used promotions on 10.1 percent of all occasions at upscale places and at 8.9 percent of all occasions at midscale establishments.

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*Several changes have been made in the way CREST processes the diary information that have affected the comparability of the 1986 fall data with that of the fall quarter of 1985. A new "Casual Dining" segment has been added to the upscale segment. Included in this category is information for many eateries which were previously classified as midscale specialty or family-style restaurants. Increases or decreases in midscale and upscale traffic, sales and average check size, when compared to the 1985 fall quarter data may be overstated or understated. To compensate for these changes, sales and traffic data for midscale and upscale segments were combined for this summary.

1 NEW ENGLAND

Location: Wethersfield, CT
Association member: Charles Smith
Operation: The Steak Club
Profile: One of nine fullservice steak-houses
In business: 18 years
Seats: 210
Meals served: Breakfast, lunch, dinner

"Our business has been just super," says **Don McGee,** general manager of The Steak Club in Wethersfield, CT. "The local economy is booming," he adds, "and Connecticut is experiencing almost zero unemployment."

Three of the eight Steak Clubs are located within hotels, not including McGee's unit which sits next to a Ramada Inn. Breakfast traffic depends largely upon hotel guests, but at lunch and dinner more than 60 percent of the clientele is local.

The Steak Club's specialty is, of course, steak. A $10.95 prime rib is the most popular cut. Seafood accounts for about 30 percent of the orders, and among customer favorites are pulled lobster, scrod, scampi and baked stuffed shrimp. All meals include dessert and a trip to the salad bar.

2 MID ATLANTIC

Location: Summit, NJ
Association member: Restaurant Associates
Operation: The Office
Profile: One of six casual, fullservice restaurants
In business: 8 years
Seats: 120
Meals served: Lunch, dinner

"Lots of restaurants claim to have a friendly atmosphere," says **Cathy Caster,** general manager of The Office. "But this is the first place I've seen where it's true."

The Office's casual interior is filled with antiques and walls papered with actual ledgers. The limited menu includes seafood, steaks and burgers as well as daily specials. In February, as a lead-in to Mardi Gras, the restaurant featured unusual Cajun dishes, such as *Cajun Kabob, Cajun Veal* and *Cajun Fettuccine.*

As part of their quarterly review, The Office's general managers are asked to develop and submit different food concepts. "The owners realize," says Caster, "that cooks and managers sometimes get bogged down in a corporate concept." Soliciting the managers' opinions, she explains, encourages participation and helps each unit cater to its particular market.

3 SOUTH ATLANTIC

Location: High Point, NC
Association member: Richard Rogers
Operation: Henry James Bar-B-Que
Profile: One of three fullservice barbecue shops
In business: 9 years
Seats: 90
Meals served: Lunch, dinner

Quite a few businesses in High Point, the "World's Furniture Capital," have been hurt by the harsh winter. But at Henry James Bar-B-Que things have never been better. "When it's cooler," explains prep cook/day manager **Darin Carter,** "people like to eat barbecue."

Barbecue fans throughout the South love to argue about the ideal meats and methods of preparation for their favorite dish. In Texas, for example, beef is king. But in North Carolina, pork is the meat of choice for barbecue. "We go through, I reckon, around 25 shoulders—or 400 pounds—a day," says Carter. Most of the barbecue is served in sandwiches for $1.30 or on platters with hush puppies, fries and cole slaw for $3.00.

The drive-thru window at Henry James accounts for between 33 to 50 percent of the store's total business. A little more than one year ago, the chain added a computerized register with a video screen hookup in the kitchen. "Things have really speeded up," says Carter. "We average one minute on every drive-thru order."

4 EAST NORTH CENTRAL

Location: Park Ridge, IL
Association member: Thomas Gangas
Operation: Bailey's Restaurant & Bar
Profile: One of three fullservice restaurants
In business: 3 years
Seats: 200
Meals served: Lunch, dinner

"Business has been very good," says **Terry Stamos,** general manager of Bailey's Restaurant & Bar. Receipts at the three-year-old restaurant located in a northwestern suburb of Chicago, are up 10 percent over last year. Stamos credits the Windy City's mild winter for the restaurant's strong traffic.

Although the three Bailey's in the Chicago area share the same menu, the owners have let the individual restaurant's location create the atmosphere. The Park Ridge unit, for example, caters to a more mature community with quieter music and a slower, more comfortable atmosphere.

The reasonably priced menu is "good without being too fancy." Steaks, prime rib, chicken teriyaki and broiled or sauteed fish are customer favorites. Mexican dishes are also popular.

5 EAST SOUTH CENTRAL

Location: Nashville, TN
Association member: Bob Lee
Operation: Empress Chili
Profile: Four of 45 Cincinnati-based chili parlors
In business: 2 years
Seats: Average 80
Meals served: Lunch, dinner

When Cin-Tin Corporation opened its first Empress Chili franchise in Nashville two years ago, few people in the city were familiar with *Cincinnati Chili,* the restaurant's signature item. "We had to educate them," says **Barbara Pate,** director of public relations.

The people in Nashville learned quickly—there are now four Empress Chili parlors in the city, and the fifth unit, the upscale Empress Restaurant and Lounge, will open soon.

"Cincinnati Chili," says Pate, "is a sweet and spicy chili that is more like a spaghetti sauce than the traditional chili most people are familiar with." The tomato-based chili is commonly served on spaghetti, and true afficionados order the dish by the number: A five-way has spaghetti, beans, chili, cheese and onions; a four-way doesn't have beans; and a three-way has no beans or onions.

The newest unit has a busy drive-thru window. "Our chili is perfect for a drive-thru," says Pate, "because it comes right off a steam table."

6 WEST NORTH CENTRAL

Location: St. Paul, MN
Association member: Lawrence Windingstad
Operation: White Castle System, Inc.
Profile: 13 company-owned hamburger units
In business: 66 years
Seats: 45 to 50
Meals served: Open 24 hours

"Business has been pretty good," says **Roger Atkinson,** assistant area manager for the 13 Twin Cities' White Castles. And sales should be even stronger at the end of the month, he adds, when a "Kid's Meal" promotion is introduced. The promotion will offer children 12 years old and under a boxed meal of a hamburger, french fries and a drink for 99 cents.

White Castle's signature item is a 30-cent burger whose square patty weighs only .75 ounces. "A person can eat four or five and come back tomorrow and eat four or five more," says Atkinson.

To satisfy the hamburger cravings of customers who live in areas that are not convenient to a White Castle unit, the chain has introduced cooked frozen burgers—meat, buns and condiments—that can be purchased at the stores or shipped out of the company's headquarters in Ohio.

The most successful innovation at White Castle, however, has been the addition of drive-thru windows at several units. Atkinson estimates that 37 percent of the business at these stores is transacted through the windows.

7 WEST SOUTH CENTRAL

Location: Baton Rouge, LA
Association member: Carl Everett
Operation: R. Jones Ent., Inc.
Profile: 9 spicy fried chicken franchise units
In business: 10 years
Seats: 24 to 72
Meals served: Breakfast, lunch, dinner

"Business has been good, but right now, because of the wet winter, we're a little below last year's sales," says **Carl Everett** of Popeye's. The local economy is stable, however, because Baton Rouge is the state capital and home of two colleges.

In the past two years, says Everett, Popeye's has introduced several new menu items. Red beans and rice and Cajun chicken nuggets have proven to be "real strong" sellers. Popcorn shrimp, too, has been a successful addition, but must be promoted to do well.

The drive-thru business is extremely important to the spicy fried chicken chain. At several area stores, says Everett, the windows account for 60 percent of sales. New stores are designed with electronic windows, and a few stores are also experimenting with remote headsets because of the backups that occur when slower-cooking items are ordered. During peak hours, an extra manager is usually on hand to oversee the drive-thru operation.

8 MOUNTAIN

Location: Boulder, CO
Association member: Gregg J. Hawkins, et al
Operation: Round the Corner Restaurant
Profile: 23-unit family restaurant chain
In business: 19 years
Seats: 180
Meals served: Lunch, dinner

"Business has been real good," says **Tim Norman,** manager of Round the Corner Restaurant's Table Mesa store in Boulder, CO. "People appreciate our food being fast and inexpensive without being 'fast food.'"

Round the Corner's customers, says Norman, enjoy the restaurant's unique service system. Patrons place their orders from telephones at each table. When their food is ready, they are summoned to pick up their orders at the counter. Average service time is five to seven minutes.

The menu at Round the Corner offers 15 different hamburgers as well as soups, sandwiches and salads. For nearly one year, the company has been serving five varieties of chicken sandwiches, including premarinated, grilled fajitas and teriyaki chicken. Norman says the sandwiches are so popular that they are displacing some of the hamburgers as top sellers.

The owners of Round the Corner are extremely receptive to suggestions from management, "especially on the operational end."

9 PACIFIC

Location: Redwood City, CA
Association member: Steven Hiller
Operation: Ben Franks Restaurants
Profile: 10 fast food hot dog units (7 company-owned, 3 franchises)
In business: 8 years
Seats: 0
Meals served: Lunch, dinner

"We're going through a slow time of the year," says Ben Franks President **Steven Hiller.** "But we're still up four percent in real growth from last year, which isn't too bad."

Ben Franks is a strictly walk-up, drive-thru concept that opened in January 1979. The chain's signature hot dog is an old-fashioned combination—90-percent beef, 10-percent pork sausage—that is flavored with garlic and roasted over redwood chips. The dog is served with fresh tomatoes, onions, relish and mustard.

Other hot dogs offered at Ben Franks include a Louisiana hot sausage and a private label Polish sausage. In addition, each month a different frank is featured. February's offering was a curry-flavored sausage. French fries, onion chips and old-fashioned milk shakes round out the limited menu.

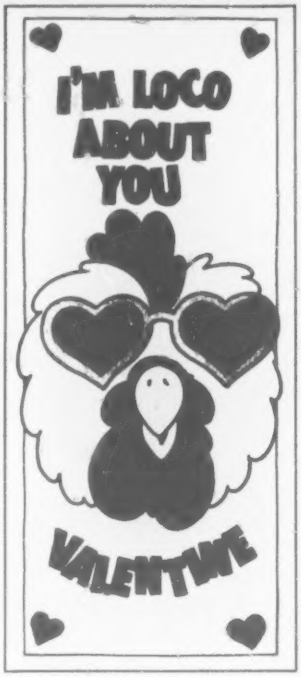
Ben Franks, says Hiller, is having "very strong franchise sales." Twenty-two franchises are committed for 1987, and Hiller says he realistically expects 13 to 16 new units to open by the end of the year.

—*David Slater*

Fast food chain has a heart

El Pollo Loco, the Santa Fe Springs, CA–based fast food chain, is recognized by the American Heart Association (AHA) as a participant in its "Dine to Your Heart's Content" program. The chain, which is known for its charbroiled chicken, adheres to AHA's guidelines regarding calories, fat and cholesterol levels in menu items.

Therefore, the month of February—with its double distinction of being National Heart Month and containing Valentine's Day—was an ideal time for the chain to sponsor a promotion. El Pollo Loco created special Valentine's Day cards which could be redeemed for free soft drinks or side orders. The company donated five cents to AHA for every Valentine redeemed.



In addition, El Pollo Loco sponsored educational luncheons featuring AHA representatives throughout February. Luncheon attendees were school children who learned about nutrition and how to select heart-healthy food in restaurants.

—El Pollo Loco

In-laws to go

What do cat toys, Texas-size cigars, a Ph.D. thesis, old love letters, "Earth Shoes" and your in-laws have in common? All of these items can be stored in a Bennigan's "To Go" box after you're finished with your meal—or, at least, that is what the Dallas, TX-based casual dining chain suggests.

Although takeout service has always been available at most Bennigan's units, the company has recently designed a corrugated cardboard carryout box in two sizes (10 inch and 12 inch). Each box is secured with a clear snap-on cover. It contains a green plastic takeout plate, patterned after Bennigan's new hexagonal china, and an extensive "To Go" menu to present a uniform approach to the service. Bennigan's favorites, such as seafood gumbo; barbecue ribs; and Mexican, Cajun and Asian entrees, are all available on the menu.

Scott Burcham, vice president of marketing for the chain, says the new program was developed because "convenience is the byword today, especially for two-income families. People want good food that can be eaten in the comfort of their home."

—Bennigan's

On to Beijing, Belgrade

American fast food is finding its way into new countries. Kentucky Fried Chicken will be the first Western fast food company to open for business in the People's Republic of China later this year. The menu at the Beijing Kentucky Fried Chicken will feature traditional fare, including the original chicken recipe.

Yugoslavia will become the first socialist country to open a McDonald's restaurant. Two restaurants will open in Belgrade in September, and five more are being planned for other cities, including Novi Sad.

—Kentucky Fried Chicken, Los Angeles Times

The lunch crowd gets more finicky

According to the Brown Bag Institute, the chief reason why people carry lunches is not to save money but to eat a lunch that corresponds to their lifestyle and personal goals. By packing their lunches, brown-baggers are assured of getting ingredients they know and trust in the quantity they want. Small lunches seem to be the trend. "It's not a poor-folks phenomenon—brown bagging is a finicky-folks phenomenon," says institute founder David Lyon. "These are people who insist on having things done their own way."

Convenience also ranks high on the list of why people tote their midday meals. They can nibble whenever they want or eat quickly and use the rest of their lunch hour to shop or exercise.

—Los Angeles Times

Wines for "We the People"

California Cabernet Sauvignon, Chardonnay and Sauvignon Blanc have been selected as the official wines of the U.S. Constitution Bicentennial celebration.

The wines are bottled with specially commissioned commemorative labels bearing the seal of "We the People 200." Each bottle also features the reproduction of a painting accompanied by a written description linking it to the Constitution's Bicentennial: Rembrandt Peale's portrait of George Washington is used on the Napa Valley Cabernet Sauvignon; the official artwork of the Constitution's Sesquicentennial—150th—celebration is used on the Santa Maria Valley Chardonnay; and a painting by contemporary artist Raymond Saunders is used on the Sonoma County Sauvignon Blanc.

For each case of wine sold, $2.00 will be donated to the "We the People 200" celebration. The wines are being distributed nationally through Vintage Wine Merchants.

—Vintage Wine Merchants

America's Hospitality Industry adds more than just dollars to the economy—every day.

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Hospitality is a big industry and it's getting bigger. But we boost the spirits of the people we serve, as well as the nation's economy.

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AMERICA'S HOSPITALITY INDUSTRY

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Ours is a Special World... America's Hospitality Industry

This promotion has a message for your employees as well as for prospective foodservice employees. You have the opportunity to introduce this morale boosting campaign in your establishment. For more information call the **National Restaurant Association 800/424-5156.**

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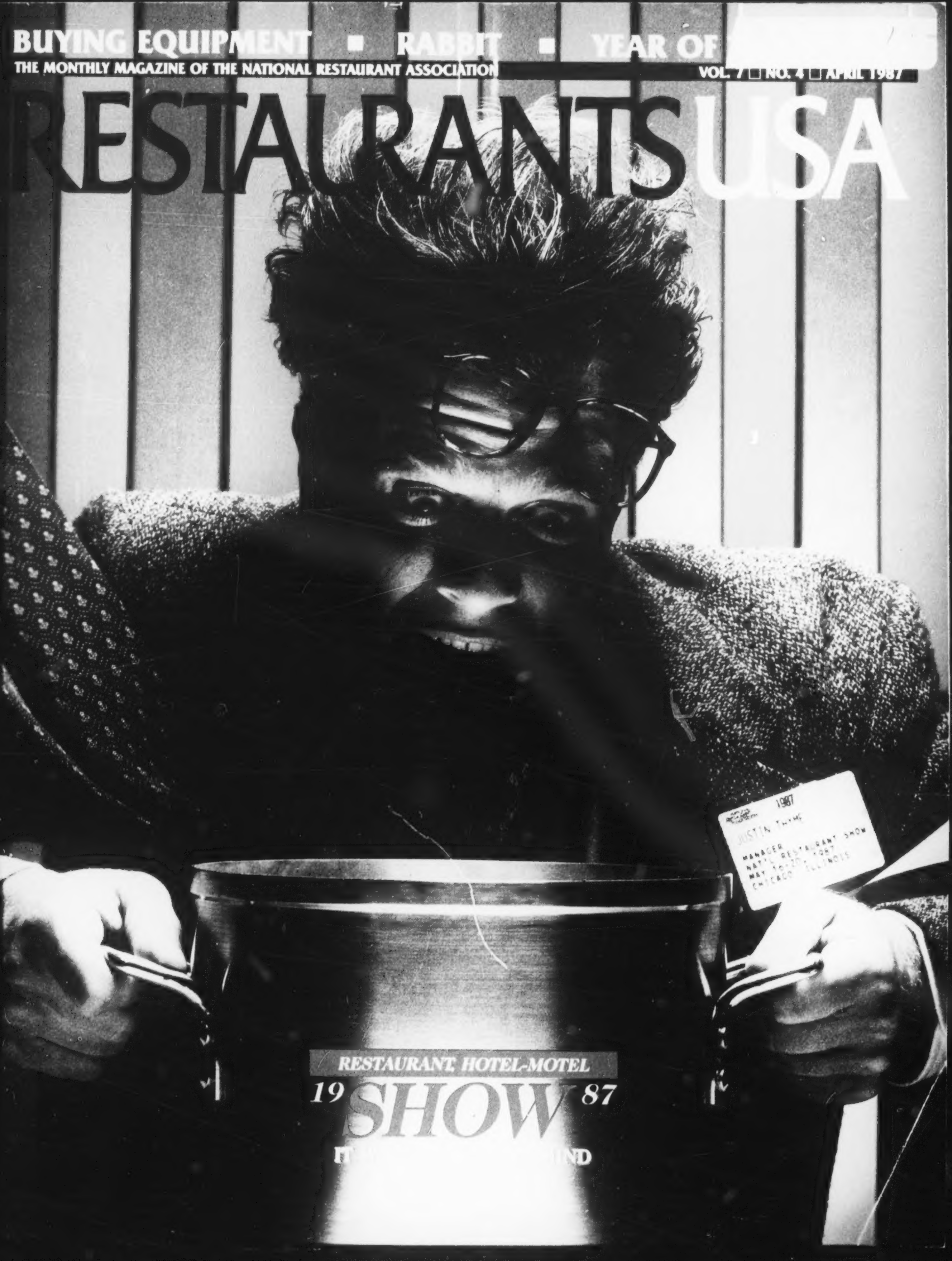
THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION
VOL. 7 □ NO. 4 □ APRIL 1987

RESTAURANTS USA


1987
JUSTIN THYME
JUSTIN
MANAGER
NAT'L RESTAURANT SHOW
MAY 16-20, 1987
CHICAGO, ILLINOIS

RESTAURANT, HOTEL-MOTEL

19 SHOW 87

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ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management
4/28 Montgomery, AL
5/11 Lancaster, PA
5/13 Tulsa, OK
5/17 Chicago, IL
6/2 Bethesda, MD
6/10 Omaha, NE
6/22 Spokane, WA
6/23 Portland, OR

Increasing Sales: Effective Front-of-the-House Management
4/26 Boston, MA
5/4 Springfield, VA
5/6 Atlanta, GA
5/17 Chicago, IL
6/9 Denver, CO
6/11 Bloomington, MN
6/15 Dallas, TX
6/29 Honolulu, HI

Kitchen Management
5/5 Worcester, MA
5/6 Concord, NH
5/16 Chicago, IL
5/27 San Jose, CA
5/28 Marin County, CA
6/8 Denver, CO
6/15 Hartford, CT
6/17 Rockville, MD
6/30 Des Moines, IA

People-Power and Profits
6/15 Orlando, FL

Tools for Training
5/16 Chicago, IL

Food Production Courses

Perfecting Your Culinary Skills
5/26 Portland, ME
6/25 Hyde Park, NY
6/30 Indianapolis, IN

Simplified Baking Workshop
4/21 Oklahoma City, OK
5/6 Minneapolis, MN
6/24 Hyde Park, NY

Foodservice Management Courses

Banquet Management
5/17 Chicago, IL
6/8 Denver, CO
6/22 Burlington, VT
6/24 Toronto, Ontario, Canada

Beverage Management
5/5–6 Annapolis, MD
5/16–17 Chicago, IL
6/29–30 Cleveland, OH

Coping with the Personal Demands of Foodservice Management
5/16 Chicago, IL

Employee Motivation
6/2 Detroit, MI
6/4 Milwaukee, WI

Food Cost Management
4/28 Raleigh, NC
5/6 Appleton, WI
5/16 Chicago, IL
6/9 Denver, CO
6/15 Dallas, TX

Foodservice Operators' Legal Workshop
5/4 Columbia, SC
5/17 Chicago, IL
6/8 San Diego, CA
6/9 Sacramento, CA

Menus That Sell!
4/27 Ft. Collins, CO
4/29 Burlingame, CA
5/17 Chicago, IL
5/27 Burlington, VT
5/29 Buffalo, NY

Negotiating for, and Financing, Foodservice Facilities
5/16–17 Chicago, IL

Off-Premises Catering
5/11–12 Vancouver, B.C., Canada
5/16–17 Chicago, IL

Operational Analysis
4/27–28 Rochester, NY
5/4–5 Charlotte, NC
5/27–28 Austin, TX

Planning and Implementing Restaurant Marketing Strategy
4/21–22 Hartford, CT
5/16–17 Chicago, IL
6/8–9 Denver, CO

Planning Successful Buffets
5/4 Lansing, MI
5/11 Williamsburg, VA

Profitability
5/27 Boston, MA
5/28 Washington, DC

Real Estate and Restaurant Site Selection
4/21–22 Hilton Head, SC
5/16–17 Chicago, IL
6/10–11 Atlantic City, NJ

Restaurant Design and Facilities Planning
6/1–2 Toronto, Ontario, Canada
6/23–24 San Francisco, CA

Sanitary Assessment of the Foodservice Environment (S.A.F.E.)
5/7 Cherry Hill, NJ
5/16 Chicago, IL
6/8 Boston, MA

Wine and the Bottom Line
5/27 Philadelphia, PA
6/16 Cincinnati, OH

For more information, contact
National Restaurant Association
Education Programs
311 First St., N.W.
Washington, DC 20001
(800) 424-5156 or
(202) 638-6100.

If your company is interested in in-house programs, contact Ed O'Hare at the association's Washington, DC, office.

STUDY GROUP MEETINGS

Internal Audit
4/21–24 Orlando, FL

Quality Assurance
4/22–24 Denver, CO

MAECO
5/13–15 Chicago, IL

Marketing Executives
5/13–16 Chicago, IL

Foodservice Purchasing Managers
5/14–15 Chicago, IL

Labor Relations
6/18–19 Dallas, TX

Large Independent Operators
8/19–21 Boston, MA

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

Published by the National Restaurant Association

RESTAURANTS USA
VOL. 7 NO. 4 APRIL 1987

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Restaurants USA (ISSN 0890-5584) is published monthly, except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. $25 of membership dues includes a one-year subscription to ***Restaurants USA.*** The non-member subscription fee is $125 per year. Second-class postage paid at Washington, DC 20001 and additional mailing offices.

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PRESIDENT'S REPORT

G. "Jim" Hasslocher, President
Frontier Enterprises, San Antonio, TX

This year's Show: May 16–20

The event which I most look forward to all year, both personally and professionally, is almost upon us—the 68th annual National Restaurant Association Restaurant, Hotel-Motel Show, May 16–20 in Chicago. This year's Show, with its stellar lineup of exhibits, seminars and gala celebrations, should be the best ever.

Longtime Showgoers can look forward to the time-honored traditions such as the world-class Show floor, the First Ladies Luncheon, the "Main Course" 10-K race, the lineup of management clinics, theater series and educational seminars, the Convention Capers—I could go on forever.

But there are also new events planned which make this year's Show unique. The American Culinary Classic, an international culinary competition featuring renowned chefs from around the globe, promises to rival the excitement of the culinary "olympics" held in Frankfurt, Germany. And the National Restaurant Association Wine Classic, now in its third year, has been expanded to include international varietals from France, Germany, Italy and Portugal.

At both of these events, Show attendees will have an opportunity to learn about judging processes and criteria for national competitions. They will observe master chefs and connoisseurs at work, and they will be able to sample the finest in international food and wine.

A complete schedule of Show events and activities is included in this issue. Please note an important change in this year's schedule from years past: The annual membership meeting will be held on Saturday, May 16, at 3:00 p.m. This meeting, during which I will pass the President's gavel to my successor, is the most important association gathering all year. As association members, your attendance and participation at this meeting would be greatly valued.

Association steps up lobbying efforts

Our excitement about the Show, however, does not diminish our concern about other areas in which your association is involved—particularly on the legislative front. The 100th Congress is proving to be an active and aggressive body, prompting your association to also be active and aggressive in protecting your business interests. We have stepped up our Washington lobbying efforts, bringing in an outside firm to supplement our highly professional government relations staff, and we are maintaining contact with decision-making legislators on a daily basis.

Association Vice President testifies against FICA taxes on tips

Chief among the issues we are battling is the Reagan administration proposal to impose FICA taxes on tip income. Last month, Association Vice President Michael Grisanti testified before subcommittees in both the House and Senate in opposition to this proposal. He pointed out that tips are a transaction between server and guest over which the restaurant operator has no control. Therefore, it is illogical and unfair to require operators to pay FICA taxes on income which is clearly not payroll.

Congress listened carefully to your association's views on this issue. We will continue to voice our opposition until the FICA tip-tax issue is resolved.

Association voices opposition to minimum wage hike

An increase in the minimum wage is another congressional proposal which we are monitoring closely. Again, your association is loud and clear in its opposition to such an increase; raising the minimum wage would result in fewer job openings and, therefore, higher unemployment, particularly among teens. Also, an increase in the minimum wage would likely necessitate wage increases all around, pushing the foodservice industry into an economic spiral. How would operators be forced to make up for lost income? You guessed it—by raising menu prices. The consumer, we are pointing out to Congress, would pay the ultimate price for a minimum wage increase.

Association publishes guidelines for ingredient and nutrition disclosure

Finally, mandatory ingredient labeling continues to be a threat. Our best defense against mandatory labeling legislation is to demonstrate that restaurateurs, acting on their own initiative, are responding to consumer inquiries regarding ingredients and nutrition. To this end, the National Restaurant Association has put together a series of guidelines on how to provide ingredient and nutrition information in your establishment. These guidelines will be mailed to you this month. I urge you to look them over carefully to determine whether some or all of them would be appropriate to your establishment.

Back-of-the-house training video now available

We have also made strides in other areas this month. The second installment in the association's VideoTraining Program series is now available. *Back-of-the-House Training Series: Effective Food-Handling Techniques* is an in-depth, comprehensive training vehicle for kitchen staff. This new series, as well as the first VideoTraining Program installment on waitstaff training, is available from the association's education programs department.

Congratulations to Great Menu Contest winners

Finally, congratulations to the winners in the 24th annual Great Menu Contest. First grand prize went to the menu from Winds Bar & Grill in Lenexa, KS; second grand prize was awarded to the St. John's Regional Medical Center menu in Oxnard, CA; and third grand prize went to the menu from Piccolo's Famous Pizza, Philadelphia, PA.

During March, 182 foodservice operators and allied suppliers joined us as members of the National Restaurant Association. Welcome. Your participation will make your business grow and will make the association more effective on your behalf.

Sincerely,

G. Jim Hasslocher

G. "Jim" Hasslocher
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: PRE-SHOW NEWSLETTER

9 It's that time of the year again—time to itemize your "shopping" lists and nail down your plans for the foodservice industry's biggest, most stimulating trade show. To help you make the most of this year's National Restaurant Association Restaurant, Hotel-Motel Show (May 16–20), this issue includes a handy pre-Show newsletter filled with information about culinary competitions and events, educational sessions and entertaining social events. Don't wait; turn to page nine to discover the exciting features awaiting you at this year's Show.

SPECIALS

20 How to compare equipment at the Show

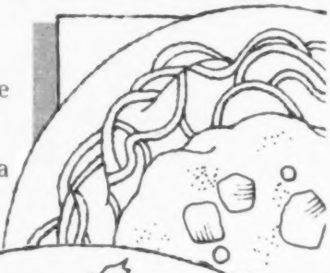
For some operators, the aisles and aisles of equipment displayed at the Show can be an overwhelming experience. "Shopping" at the Show can be easier and more efficient if you follow these suggestions for analyzing and reviewing equipment.

23 This is the "Year of the Waiter"

Unfortunately, waiters in the United States are not given the same respect as are their counterparts in Europe. Some restaurateurs have started a campaign to change this, hoping to raise the status of waiters in the eyes of both servers and consumers.

26 Raising the curtain on restaurant previews

Stealing a practice long followed in the theater, some restaurants are staging previews to ease opening jitters. By offering reduced prices for a set period of time, restaurateurs are finding that previews can be a practical and comfortable way to perfect the imperfections that often accompany a restaurant opening.



28 Rabbit is catching on

Although rabbit has been a delicacy in the Far East and Europe for centuries, American chefs have been slow to promote the dish. This may be changing as moderate prices, preparation flexibility and nutritional value are tempting more and more chefs to examine the benefits of rabbit.

32 How to help the hard of hearing

Roughly 13 million Americans are hearing-impaired. Because the needs of this group are often overlooked and unrecognized, this "Viewpoint" tells how your staff can treat hearing-impaired customers with consideration.

DEPARTMENTS

6 **Short Orders**
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- ☐ Association recognized for helping the disabled find jobs
- ☐ Pantry basics ranked
- ☐ Restaurateurs can compete in seafood promotion contest
- ☐ Family business owners want children to try their wings elsewhere

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- ☐ Plant closing notices being considered
- ☐ Polygraph issue before Congress

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36 **Board Room**
- ☐ Association testifies on FICA issue

37 **Foodservice Trends**
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- ☐ Breakfast business is sluggish in 1986
- ☐ Association publishes first wage study for hourly employees

45 **How's Business?**
- ☐ What operators are doing

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- ☐ Junk food rat has last laugh
- ☐ Commercials that tell stories
- ☐ A no-smoking restaurant town
- ☐ A different delivery
- ☐ A new reason to visit

Cover photograph by Gary Landsman

SHORTORDERS

Association recognized for helping disabled persons

The National Restaurant Association has received three awards for its efforts to find jobs for disabled individuals.

In February, Disabled American Veterans cited the association for its efforts to help place disabled veterans and other handicapped individuals. In its congratulatory letter, the organization said that it hoped the example set by the association "will encourage other employers to follow your leadership in the area of employing disabled veterans."

That same month, the President's Committee on Employment of the Handicapped recognized the association "for outstanding efforts to promote employment opportunities for workers with disabilities in the foodservice industry." The award was presented at a two-day symposium called "Hidden Resources: Qualified Persons with Disabilities," which was hosted by Red Lobster Restaurants and cosponsored by the President's committee and the National Restaurant Association.

In November, the United States Department of Labor (DOL) presented the association with a certificate of appreciation for its participation in DOL's fifth annual "National Salute to America's Veterans."

"A Few Minutes with Andy Rooney" visits the National Restaurant Association offices to film a segment on menus. The piece, which features entries into the association's Great Menu Contest, will be aired nationally on CBS-TV's top-rated news program, "60 Minutes."

Pantry basics ranked in new book

Who really makes the best ketchup? What is the number-one mustard? Who packs the tastiest tuna? These are questions Jenifer Harvey Lang wanted to know. So she and 84 food professionals conducted systematic taste testings, and now the results are in. You can find them in Lang's newly published book, *Tastings, The Best from Ketchup to Caviar.*

Tastings surveys 31 pantry basics, including such everyday staples as peanut butter and tomato sauce. Lang's book provides more than just rankings, however. There is valuable information on handling, storage, mail-order sources, trade organizations and an excellent bibliography. Lang also explains how each food is manufactured and what the "science" of the food is; she provides cooking tips and recipes.

Family business owners want children to try wings elsewhere

America's entrepreneurs, who often started businesses with an idea and nothing in the bank, want better for their children, according to a survey of family-owned businesses by Laventhol & Horwath (L&H), a business, financial counseling and accounting firm in Los Angeles, CA.

Sixty-five percent of the owners of family businesses polled said they wanted their children to acquire experience with another company before joining the family business.

How entrepreneurs came to own their companies had a lot to do with their views of having their children join the enterprise. Only 48 percent of those who said they started their company "from nothing" want their children to join the firm, while 77 percent of those who inherited the business want their children to join them. Only 39 percent said they definitely seek to keep the business in the family over the long term. About 21 percent said they plan to sell the business after it matures, while four percent said they wanted to take the company public. Only one in four owners said they had a written plan for management succession after they retire.

Restaurateurs can compete in seafood promotion contest

Has your restaurant had an effective, creative and well-executed seafood promotion since May 1, 1986? If so, you may want to enter your promotion plan in a competition sponsored by *Seafood Business,* the national magazine of seafood marketing and management.

Seafood Business's third annual Marketing Excellence awards competition recognizes seafood markets in five categories, including restaurants. Winners will receive a personalized plaque and certificate in addition to industry-wide recognition through *Seafood Business.*

Entries, which can be based on either print or broadcast promotions, must include the following: name and company name, address and telephone number, type of business, promotion objective, description of promotion and promotion results—such as increased sales or media attention.

Include supporting materials used in the promotion, such as an ad tear sheet(s), posters, TV commercials (½-inch VHS format only) and radio commercials. All entries will be judged on the basis of effectiveness, creativity and quality of execution.

Deadline for entries is June 10, 1987. Send entries to Nancy Hasselback, 21 Elm St., Camden, ME 04843, or call (207) 236-4342.

Minimum wage debate gains momentum

As evidence of the growing momentum in Congress for a minimum wage increase, two more U.S. representatives introduced bills in late February to raise the minimum wage, bringing the total number of pending bills to five.

So far, bills have been introduced only in the U.S. House of Representatives. However, Sen. Edward Kennedy (D-MA) has indicated that bills are to be expected in the near future in the Senate. The National Restaurant Association opposes any increase in the minimum wage, which would reduce entry-level job opportunities and prompt an upward spiraling of other wages.

The two most recent House bills, H.R. 1189 and H.R. 1209, were introduced by Rep. James Traficant (D-OH) and Rep. William Ford (D-MI), respectively.

H.R. 1189, like several bills introduced earlier, would gradually increase the minimum wage until it equaled half the average private-sector wage for nonsupervisory workers. Annual adjustments after this point would permanently maintain the minimum wage at 50 percent of the private-sector wage. (This indexing feature is strongly backed by labor groups.) The first increase under H.R. 1189 would go into effect on Jan. 1, 1988, bringing the wage up to $4.00.

Traficant's bill would establish a special youth wage for part-time workers under 19 and for full-time students aged 19 to 21. For these employees, H.R. 1189 would maintain the current $3.35 minimum through 1988 and would then begin moving it up in $.20 increments until it equaled 83 percent of the minimum wage. From that point on, the youth wage would be increased each year as necessary to maintain it at 83 percent of the regular minimum.

Ford's bill proposes four flat increases to raise the minimum wage to $5.20 by 1990. On Sept. 1, 1987, the current minimum would move to $4.25; on Sept. 1, 1988, to $4.65; on Sept. 1, 1989, to $4.95; and on Sept. 1, 1990, to $5.20. Unlike Traficant's bill, H.R. 1209 does not tie the minimum wage to any other wage base after it peaks at $5.20 in 1990.

Highway advertising to continue

The users of highway signage have emerged victorious in the long-running battle over the "highway advertising" issue. In March, Congress voted to retain the status quo, thus shelving proposals that would have sped up the removal of billboards from federal highways and capped the total number of billboards nationwide.

Because of controversy over the billboard issue and several other matters, last year's Congress adjourned without passing any highway funding legislation. Last year's Senate, backed by environmentalists, had voted to speed up the billboard removal process by doing away with the requirement that governments pay billboard owners in cash for signs taken down. (The removal of certain billboards is required by the 1966 Highway Beautification Act.)

By rejecting that position this year, the Senate cleared the way for easy agreement with the House version of the bill, which maintained the "cash compensation" requirement.

One "sticking point" remained, however: this year's House bill called for a cap on the total number of billboards along federal highways, a provision that not only would have limited advertising opportunities, but would also have inflated the rental prices for existing billboards. In mid-March, however, House negotiators yielded to the Senate position and decided to go along with current law, which provides less stringent billboard control measures.

The National Restaurant Association hails Congress's decision, believing that road signs are of service to businesses and the driving public.

Small business committees get new chairmen

Rep. John LaFalce

Sen. Dale Bumpers

U.S. Rep. John LaFalce (D-NY), a strong advocate of the Small Business Administration (SBA), has taken over the chairmanship of the House Small Business Committee. He fills the vacancy left by retiring chairman Parren Mitchell (D-MD) and the late Joseph Addabbo (D-NY), a ranking member of the committee.

LaFalce firmly believes in an independent SBA and said the White House's past attempts to dismantle SBA "insulted the small business community." The White House has since dropped its plans to abolish the agency, and the President nominated former Senator James Abdnor (R-ND) to be SBA administrator.

LaFalce says there needs to be a "strong voice for small business at the highest levels of government" and that one way to achieve that would be to elevate the agency to cabinet-level status. At the same time, he argues that SBA programs should be reviewed to determine their effectiveness, with thought given to limiting the "constituency" of SBA programs and concentrating the agency's resources where they will do the most good.

Sen. Dale Bumpers (D-AR), also an SBA booster, is the new chairman of the Senate Small Business Committee. He takes the reins from Sen. Lowell Weicker (R-CT), who becomes the ranking minority member.

Bumpers chaired his first committee hearing in late February. He expressed concern about the President's proposals to double the current two-percent guarantee fee charged on SBA loans, reduce the guaranteed percentage rate on such loans, phase out small business development centers and charge fees for SBA services that have been free.

Said Bumpers of the President's plan, "In an era when our ability to compete with the red-hot economies of the Pacific rim and those of our allies in Europe is being severely tested, it would be foolhardy to abandon federal efforts to provide essential resources to the small entrepreneurs, who annually account for over 80 percent of our new jobs."

Association testifies before Small Business Committee

The National Restaurant Association testified before the Senate Small Business Committee on February 25, when business and trade groups were invited to air their concerns about issues facing the 100th Congress.

The association said it was especially troubled by legislation calling for federally mandated employee benefits, such as the parental and disability leave bill now being debated by the House and Senate labor committees. The association said mandated employee benefits would be a big problem for small operators who do not have the flexibility or resources to cope with the leave requirements proposed by the legislation.

The association also noted it opposed the Reagan administration proposal to require employers to pay FICA taxes on all reported tips. The association said the tax increases would have the greatest effect on the operator least able to absorb it—the small business person.

Other issues of concern mentioned by the association included proposed increases in the minimum wage, restrictions on polygraph use and legislation that would require advance notice of a firm's closing.

Plant closing notices being considered

Key House and Senate leaders are backing legislation that would require employers of 50 or more workers to give advance notice of layoffs or company closings. The advance-notice provisions are included in broader legislation providing different kinds of re-employment assistance to dislocated workers.

"Thousands of plant closings and permanent layoffs have had a devastating effect on the fabric of life in our local communities," said Sen. Howard Metzenbaum (D-OH), who, along with Sens. Edward Kennedy (D-MA) and Paul Simon (D-IL), drafted S. 538, the Senate bill. Rep. William Clay (D-MO) sponsored the House companion, H.R. 1122.

Problems in the manufacturing sector provided the chief impetus for "plant closings" legislation. The legislation itself, however, would affect all companies employing more than 50 workers. The National Restaurant Association opposes the bills because they impose undue burdens on the foodservice industry.

Shutdowns or layoffs affecting between 50 and 100 workers would require 90 days' advance notice to employees and to state and local governments. The elimination of up to 499 jobs would require 120 days' notice, and actions affecting 500 or more employees would require 180 days' notice. Advance notice requirements would be reduced or eliminated for layoffs that "cannot reasonably be foreseen."

At the request of either employees or local officials, employers would have to discuss alternatives to layoffs or company closings. Employers would not be required to agree to any suggested alternatives, however.

Plant closings legislation came close to passing in the House two years ago, losing by only four votes. Prospects for its passage are rated higher this year since both houses of Congress are now controlled by Democrats.

—Jay Morris
—Denise Roach

Polygraph use bill before Congress

More than 120 U.S. representatives have joined Rep. Pat Williams (D-MT) in sponsoring H.R. 1212, a bill that would prohibit employers from administering lie-detector tests to either present or potential employees.

"Far too often innocent people are labeled as liars and are unjustly denied employment," said one of the bill's sponsors, Rep. Stewart McKinney (R-CT), during a March 5, 1987, hearing on H.R. 1212. Proponents of the legislation maintain that lie-detector tests yield inaccurate readings that are often the result of poor equipment or inexperienced polygraph examiners.

Another member of Congress took up the employer's cry, however. "Businesses must have access to the investigative tools they need," argued Rep. Buddy Darden (D-GA), citing the enormous costs of employee theft and employee drug abuse.

Rather than banning the tests, Darden wants to see them used more fairly. On March 10, he joined Rep. C. W. Bill Young (D-FL) and eight other representatives in introducing H.R. 1536, a bill that would establish minimum federal standards for equipment and examiners.

Last year, the House passed a bill banning polygraphs by a 60-vote margin. The issue died at the end of the 99th Congress, however, because the Senate never voted on companion legislation.

The National Restaurant Association and other employer groups have banded together to lobby for employers' continued ability to use the tests.

87 SHOW PREVIEW

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YOU WON'T WANT TO MISS THIS YEAR'S SHOW

The 68th annual National Restaurant Association Restaurant, Hotel-Motel Show is an event you won't want to miss. Not only will your favorite annual events return to excite and delight, but this year's Show will also offer new programs, exhibitions and competitions that you are sure to find intriguing. Set aside May 16 through May 20 to explore state-of-the-art developments in the foodservice industry.

New elements that make the 68th annual Show especially inviting include a recently completed $300-million exhibition hall at the McCormick Place exposition complex. McNew, as it has been nicknamed, will host 600 spectacular world-class exhibits, including international foods, beverages and services; Commodity Square, a 4,300-square-foot area devoted to food products grown or available in the United States as well as the American Culinary Classic competition, which features contestants from nine countries.

The American Culinary Classic is the first international culinary competition ever held in the United States. Teams from 12 different countries will compete in this miniature "culinary olympics". You'll be able to view the chefs at work and sample their entries during the four-day competition.

A new twist to a traditional favorite takes place back at the original McCormick Place, where the National Restaurant Association Wine Classic, in its third year, will add an international flavor to the competition. Wines from four European countries will join domestic wines at the Classic for the first time.

At both McNew and McCormick Place, there will be something for everyone. You can visit nearly 1,800 exhibitors displaying the latest products and services. You can fine-tune your management skills in the theater series, management clinics and seminars. You can view the masterpieces created for the 17th Annual Culinary Arts Salon or rate the wines in the Wine Classic.

For a break in the action, you can enjoy downhome entertainment in the Convention Capers or a spectacular night of gourmet dining, fanfare, comedy, music and dancing at the combined Grand Banquet and Show and Political Education Fund Gala.

And don't miss the opening day ceremony led by outgoing National Restaurant Association Chairman of the Board and President G. "Jim" Hasslocher. Be sure to attend the annual membership meeting on Saturday, May 16, where you will help elect the new National Restaurant Association officers and be entertained by Al McGuire of college basketball fame. Registration for the 1987 Show is $10 per person before April 10 and $20 per person after April 10.

INTERNATIONAL WINES ADDED TO WINE CLASSIC

For the first time this year, the Wine Classic will extend the competition beyond the United States to include one celebrated varietal from each of the great wine-producing countries of France, Germany, Italy and Portugal. Varietals selected to compete are 1985 Beaujolais-Villages from France, Riesling Kabinett from Germany, Sangiovese from Italy, and Ruby Port from Portugal. The two selections from the United States are Cabernet Sauvignon and Johannisberg Riesling.

Initially, all entries will be judged on a pass/fail basis by more than 30 of the nation's foremost wine experts and one professional wine writer from each participating country. Passing wines will qualify for a second taste by the judges and a chance to win a bronze, silver or gold medal. Gold medal winners will be tasted a third time to determine the "Best of the Show" winner from each varietal.

Since wines will only be judged against those of the same type, no two countries will compete against each other.

Show attendees will be able to view taste testing in the Lindheimer Room of McCormick Place on Sunday, Monday and Tuesday, May 17, 18 and 19. As in years past, attendees will also get an opportunity to sip and compare the wines being evaluated.

All entries in the international Wine Classic will be initially judged on a pass/fail basis by more than 30 of the nation's foremost wine experts.

INTERNATIONAL PAVILIONS TO FEATURE HARD-TO-GET IMPORTS

At this year's Show, you will be able to sample more than just a taste of America because almost a dozen countries will showcase their own foods, beverages, products and services in pavilions on the main exhibition floor of the McNew Building—the newly completed facilities directly across from McCormick Place.

This international focus is bringing the Show a growing reputation as a hub for international trade. Convention Chairman Mike Hurst (15th Street Fisheries, Ft. Lauderdale, FL) thinks that's great. "By making the specialized international market more accessible to attendees, we are creating a marketplace for hard-to-get imported products and services," he maintains.

Among the countries represented at this year's Show will be Austria, Canada, France, Germany, Italy, the Netherlands, New Zealand, Portugal and the United Kingdom.

"MCNEW" TO HOST SPECIAL EVENTS, EXHIBITS

The National Restaurant Association Show has expanded into McCormick Place's newest facility, McCormick Place North. This 500,000-square-foot facility with 23 meeting rooms and three restaurants on two levels, will house the American Culinary Classic, Commodity Square and International Pavilions.

McCormick Place North, called "McNew," is located directly across from the main McCormick Place building, just north of 23rd Street and west of Lake Shore Drive. McNew is connected to McCormick Place's other exhibition halls by a climate-controlled, pedestrian walkway. McNew also permits easy access from outlying areas.

Two years in the making at a cost of $300 million, McNew is the last word in exhibition hall design. During this year's Show, the main exhibition floor of McNew will feature 600 spectacular exhibits.

WORLD-CLASS CULINARIANS TO SHOW THEIR STUFF

The excitement of world-class competition awaits you at the McNew Building as the association Show inaugurates the first international culinary competition ever held in the United States—the American Culinary Classic.

This culinary contest par excellence, sanctioned by the World Chefs Association, will preview the strengths and weaknesses of teams representing nine different countries, including the United States.

In this four-day competition, professional culinarians will test their skills in both cold and hot food competitions that promise to parallel the trials and excitement of the "culinary olympics" in Frankfurt, Germany.

From Saturday, May 16, to Tuesday, May 20, you will be able to view these five-member teams hard at work. The teams represent the officially designated national team, plus one pastry chef from each competing country.

The hot food competition will take place in glass-enclosed kitchens on the main level of the McNew Building designed to duplicate the competitive environment of Frankfurt. The teams will work from a mystery box of ingredients. They will be asked to create a menu of three to five courses for 65 people using the ingredients given them.

Competitors will be urged to produce the greatest effect from the simplest means. They will be scored on four criteria: composition, preparation, presentation and difficulty. A panel of judges, consisting of managers of each of the competing teams, will select the winners who will be awarded prizes at the "Salute to Excellence" Awards Dinner at the Chicago Hilton and Towers on Tuesday evening, May 19.

Cold food entries will be displayed on the mezzanine level of the McNew Building during the four-day competition, with three different competing countries participating each day.

Don't miss the chance to sample the teams' hot food entries and conduct your own informal judging. Proceeds from tickets purchased for tasting will be donated to the 1988 U.S. Culinary Team Foundation.

Tickets (in pairs of two or more) can be purchased from Al Natker in the association's Chicago office prior to the Show on a first-come, first-serve basis. A minimum donation of $15 per ticket is requested; larger contributions are welcome.

Countries currently scheduled to compete include Belgium, Canada, England, Germany, Ireland, Italy, Singapore, South Africa and the United States.

KOPPEL, HASSLOCHER TO OPEN SHOW

National Restaurant Association Chairman of the Board and President G. "Jim" Hasslocher will start off the 68th annual Show with an opening day speech in the Arie Crown Theater of Chicago's McCormick Place on Sunday, May 17, at 2:00 p.m.

Hasslocher will conclude his year as president of the National Restaurant Association with a summary of the major issues that face the industry in 1987 and challenges that await operators in the future.

Ted Koppel, veteran ABC newsman and anchor of "ABC News Nightline," will share the opening day podium with Hasslocher. Koppel has been lauded by both the public and the broadcast industry, and his show, "Nightline," has been called "the best piece of daily TV journalism around."

Ted Koppel

AL MCGUIRE TO SPEAK AT MEMBERSHIP MEETING

Al McGuire, NBC sports broadcasting analyst, will be the keynote speaker at this year's National Restaurant Association membership meeting on Saturday, May 16, at 3:00 p.m.

McGuire, who hosts a nationally syndicated weekly half-hour sports series called "Al McGuire On Sports," was twice-elected the "Coach of the Year" and is a two-time Emmy nominee.

McGuire will address the membership immediately following the general election and presentation of the 1987 Board members.

The new President and Chairman of the Board will be honored at the Annual Grand Banquet and Show at the Chicago Marriott on Saturday evening, May 16—an evening of gourmet dining and entertainment held in conjunction with the Political Education Fund Gala.

DON'T MISS THE SHOW'S CULINARY WORKS OF ART

You will be able to view the magnificent display of culinary art and sculpture at the 17th annual Culinary Arts Salon—the largest culinary competition of this type in the nation.

You can see some of the most creative and beautiful artistic masterpieces in Chicago at the Show.

These spectacular creations are the work of outstanding chefs, students and apprentices who have traveled to the Windy City to compete in the 17th annual Culinary Arts Salon, the largest culinary competition of its kind in the United States. The entries may give you ideas for creative approaches for serving food.

You will be able to view the magnificent display of culinary art and sculpture on Sunday through Tuesday, May 17–19, in the Chicago Room of the upper level of McCormick Place. The only ticket you need to enjoy it all is your Show badge.

Judges—eminent chefs and recognized professionals in their own right—will evaluate the entries and select winners. Winners will be honored at an awards ceremony and champagne reception at McCormick Place on Sunday, at 11:30 a.m.

The Culinary Arts Salon is endorsed and recognized by the American Culinary Federation and the Chefs of Cuisine Association in Chicago.

SHOW SCHEDULE

SATURDAY, MAY 16

8:00 a.m.
National Restaurant Association seminar series, registration and check-in for one-day and two-day programs

9:00 a.m.–5:00 p.m.
One-day seminars with one-hour lunch breaks, McNew Building
☐ Coping with the Personal Demands of Foodservice Management
☐ Food Cost Management
☐ Sanitary Assessment of the Food Environment (S.A.F.E.)
☐ Kitchen Management
☐ Tools for Training
First day of two-day seminars (cont'd. on May 17)
☐ Off-Premises Catering
☐ Planning and Implementing Restaurant Marketing Strategy
☐ Real Estate and Restaurant Site Selection

9:30 a.m.–5:30 p.m.
Dealer/supplier press preview of exposition, McCormick Place and McNew Building

9:30 a.m.–3:00 p.m.
American Culinary Classic, first of four days, continues on May 17, 18 and 19. Cold-food entries displayed on mezzanine level of McNew Building; hot food competition on the main level of McNew Building

11:30 a.m.
Annual Hennessy Awards Luncheon, Chicago Hilton and Towers (ticketed event)

3:00 p.m.
Annual membership meeting with Al McGuire, Earl McMahon Room, McCormick Place

6:30 p.m.
Gala night which combines Grand Banquet and Show in honor of the National Restaurant Association's new Chairman of the Board and

President with the annual Political Education Fund Gala, Chicago Marriott. Master of Ceremonies: Ken Kercheval of "Dallas;" Singer Marilyn McCoo; Comedian Tom Dressen

SUNDAY, MAY 17

8:00 a.m.
"The Main Course" 10-K race starting at Chicago's Grant Park

9:00 a.m.–5:00 p.m.
One-day seminars with one-hour lunch breaks, McNew Building
☐ Banquet Management
☐ Foodservice Operators' Legal Workshop
☐ Menus That Sell!
☐ Dining Room Management
☐ Increasing Sales: Effective Front-of-the-House Management
Second day of two-day seminars
☐ Off-Premises Catering
☐ Planning and Implementing Restaurant Marketing Strategy
☐ Real Estate and Restaurant Site Selection

10:30 a.m.–6:00 p.m.
Exposition open, McCormick Place and McNew Building
☐ Culinary Arts Salon, Chicago Room, McCormick Place, continues on Monday, May 18, and Tuesday, May 19
☐ Wine Classic, Lindheimer Room, McCormick Place. Event continues on Monday, May 18, and Tuesday, May 19
☐ American Culinary Classic, mezzanine and main levels of McNew Building. Event continues on Monday, May 18, and Tuesday, May 19

2:00 p.m.
Opening day program, Arie Crown Theater, McCormick Place
☐ Welcoming address: association President and Chairman of the Board G. "Jim" Hasslocher
☐ Keynote speech: Newsman Ted Koppel

9:00 p.m.–1:00 a.m.
Convention Capers: The Fabulous Fours featuring the Four Aces, the Four Lads and the Diamonds, Chicago Hilton

MONDAY, MAY 18

9:30 a.m.–5:30 p.m.
Exposition open, McCormick Place and McNew Building
☐ Culinary Arts Salon, Chicago Room, McCormick Place. Event continues on Tuesday, May 19
☐ Wine Classic, Lindheimer Room, McCormick Place. Event continues on Tuesday, May 19
☐ American Culinary Classic, mezzanine and main levels of McNew Building. Event continues on Tuesday, May 19

9:30 a.m.–12:00 p.m.
Management Clinic, McCormick Place
☐ Foodservice Quality Through Food Technology, room 20–8

10:30 a.m.–12:00 p.m.
Theater Series, McCormick Place
☐ That Old Melman Magic, Theater One
☐ The Remaking of Hotel Restaurants, Theater Two
☐ Managing Difficult Employees, Theater Three
Management Clinics, McCormick Place
☐ Food/Production Management, room 20-1
☐ Hiring the Right Stuff, room 20-2
☐ What Private Clubs Are Looking For In a Professional Club Manager, room 20-3
☐ CHART program, room 20-7

Richard Melman

Ken Kercheval

10:30 a.m.–1:30 p.m.
Theater Signature Series, McCormick Place
☐ Managing the Journey Towards Excellence, Earl McMahon Room

11:30 a.m.
First Ladies Luncheon, speaker: Heloise, Chicago Marriott (ticketed event)

2:00 p.m.–3:30 p.m.
Theater Series, McCormick Place
☐ The World of Beer According to Michael Jackson, Theater One
Management Clinics, McCormick Place
☐ Evolution of Feeding in Space, room 20-1
☐ Supervising Supervisors, room 20-2
☐ Facing the Tight Labor Market: Alternative Sources of Employees, room 20-3
☐ CHART program, room 20-7
☐ To Market, To Market, room 20-8

9:00 p.m.–1:00 a.m.
Convention Capers, country-western night with The Forester Sisters, Chicago Marriott

TUESDAY, MAY 19

9:30 a.m.–5:30 p.m.
Exposition open, McCormick Place and McNew Building
☐ Culinary Arts Salon, Chicago Room, McCormick Place
☐ Wine Classic, Linheimer Room, McCormick Place
☐ American Culinary Classic, mezzanine and main levels of McNew Building

10:30 a.m.–12:30 p.m.
Theater Signature Series, McCormick Place
☐ The Psychology of Winning, Earl McMahon Room

10:30 a.m.–12:00 p.m.
Theater Series, McCormick Place
☐ Betting on People: A Strategy for Success, Theater One
☐ Improving Your Communication Skills, Theater Three
Management Clinics, McCormick Place
☐ Hiring in a Tight Labor Market, room 20-1
☐ Quality Service, room 20-2
☐ Healthy Profits Through Nutrition, room 20-3
☐ CHART program, room 20-7
☐ Little Things Mean a Lot, room 20-8

2:00 p.m.–3:30 p.m.
Theater Signature Series, McCormick Place
☐ Stress Management Through Creative Juggling, Earl McMahon Room
Management Clinics, McCormick Place
☐ Opening the Restaurant . . . or the Second Restaurant, room 20-1
☐ Rehabilitate, Reposition and Remarket a Hotel or Restaurant, room 20-2
☐ CHART program, room 20-7
☐ CHRIE Series: Internships, room 20-8

6:30 p.m.
Salute to Excellence reception and dinner, Chicago Hilton and Towers (ticketed event)

WEDNESDAY, MAY 20

9:30 a.m.–3:00 p.m.
Exposition open, McCormick Place and McNew Building

10:30 a.m.–12:00 p.m.
Management Clinics, McCormick Place
☐ Managing Hospitality, room 20-1
☐ CHART program, room 20-8

FINE-TUNE YOUR MANAGEMENT SKILLS

Dr. Denis Waitley

Michael Jackson

Dr. Ken Blanchard

Steve Allen, Jr.

Bob Small

Tom Champoux, bottom right

For succinct pointers on state-of-the-art management and marketing techniques, don't miss the programs in the Theater Series and the Management Clinics.

The Theater Series will be held in Theaters 1, 2 and 3 on the mall level of McCormick Place and in the Earl McMahon Room. Management Clinics will be held in the lobby level of McCormick Place.

Theater Series

Three of the theaters this year have been grouped into a "Signature Series." They will be held in the Earl McMahon Room.

1 **Managing the Journey Toward Excellence**. Dr. Ken Blanchard, back for the fourth time by popular demand, is co-author of *The One Minute Manager* and *The One Minute Manager Library*. He will team up with Bob Small, vice president and general manager of Fort Worth's Worthington Hotel, to offer a three-hour, action-packed seminar on successful management theory and practice.

2 **The Psychology of Winning**. Dr. Denis Waitley, author of the best-selling audio cassette, *Psychology of Winning*, will help you incorporate winning principles of thought and behavior into your organization, career and life. Waitley has counseled winners in all walks of life—from top executives to Super Bowl champions.

3 **Stress Management Through Creative Juggling**. Steve Allen, Jr., MD, a specialist in stress management and son of the famous comedian, will demonstrate how laughter and play can reduce the body's harmful and counterproductive reactions to stress.

Individual Theater Series programs include:

☐ **The World of Beer According to Michael Jackson**. Jackson is the world's foremost authority on beer. He will discuss the renaissance in beer in the United States, examining craftbreweries, beer types and styles, how to design a "best-selling" beer list and how to effectively handle and merchandise this up-and-coming menu item.

☐ **That Old Melman Magic**. Chicago restaurateur Richard Melman, president of Lettuce Entertain You Enterprises, will share some of the trade secrets that make his restaurants popular eating spots.

☐ **Managing Difficult Employees**. Tom Champoux, former inner-city teacher and coach and current executive vice president of the Effectiveness Institute, Inc., will show how you can get the most out of your employees. He will discuss how different backgrounds and strengths can be best utilized for the benefit of the organization.

☐ **Betting on People: A**

Strategy for Success. George S. Odiorne, the Harold D. Holder Professor of Managment at Eckerd College in St. Petersburg, FL, will discuss strategic plans for building people as assets.

☐ **Improving Your Communication Skills.** It is easy to forget that good communication involves listening skills as much as it does speaking skills. College professor, lecturer, author and communication specialist Dr. Janet Elsea will explain how you can become a better listener.

Management Clinics

☐ **Quality Service.** Dr. Bill Martin, author of *Quality Service: The Restaurant Manager's Bible* and associate professor of the new Center for Hospitality Management at California Polytechnic University at Pomona, will present practical pointers for improving customer service.

☐ **The Effects of Feeding in Space.** Dr. Clint Rappole, interim dean of the Hilton Hotel School at the University of Houston, and NASA's Richard Sauer discuss the evolution of space feeding and its present and future effects on foodservice.

☐ **Foodservice Quality Through Food Technology.** A comprehensive seminar moderated by Dr. Brian Raines (Lawry's) and John Balascio (Taco Bell). Featured panelists include Dr. Gary Ades (Marketing Spectrum) on foodservice quality, Barry Preswick (Hardee's) on multi-unit operators, Joel Simpson (Dobbs Houses) on safety and liability, James Brown (National Restaurant Association) on innovative techniques and Pete O'Neil (FBI) on food tampering.

☐ **Facing the Tight Labor Market: Alternate Sources of Employees.** A panel of experts will explore the benefits of employing veterans, the handicapped and older workers.

☐ **Opening the Restaurant . . . or the Second Restaurant.** Aaron Donatello teaches attendees what to expect when opening a new or second restaurant.

☐ **Supervising Supervisors.** Former association seminar instructor Kathy McGinley discusses management techniques that will help owners leave town without worry. You will learn how to create accountability and establish directions and boundaries as well as counsel and coach supervisors.

☐ **Hiring in a Tight Labor Market.** Jim Motta, industry consultant and seminar leader, offers innovative approaches to finding, attracting and retaining new employees.

☐ **Managing Hospitality.** Foodservice consultant Denise Minchella shows you how to increase sales while enhancing hospitality and service.

☐ **Hiring the Right Stuff.** Dr. Ray Kavanaugh, former director of Human Resources at Red Lobster and associate professor at Florida State University, offers a systematic method for knowing whom to hire and why.

☐ **To Market, To Market.** A panel of operators, including well-known Chicago restaurateurs Herman Berghoff, Hal Binyon and Eli Schulman, discuss the profits and problems of developing, packaging and marketing signature items for on and off-premises sales.

☐ **The Remaking of Hotel Restaurants.** This in-depth seminar moderated by *Restaurant Business* Editor Peter Berlinski, will feature some of the top names in hotel foodservice. Alfons Konrad of the Four Seasons will discuss fine dining; Don Clawson of Radisson will discuss catering; Heinz Kerns of Hyatt will discuss Sunday brunch and special occasions; Karl Kilburg of Marriott will discuss theme concepts and Fred Rufe of Hilton will discuss American cuisines.

☐ **Food/Production Management.** With new foods, complex recipes and the trend toward cooking from scratch, food waste has become both relevant and expensive. Michigan State University Professor Steve Miller will share his ideas for reducing waste.

☐ **CHART Programs.** A series of five presentations on various aspects of human resource development will be presented by members of the Council on Hotel and Restaurant Trainers.

☐ **Rehabilitate, Reposition and Remarket a Hotel or Restaurant.** This how-to session is designed primarily for independent operators. Richard Friedman, operating partner of The Towne House, Columbia, SC, will moderate the session.

☐ **Healthy Profits Through Nutrition.** Claire Regan, National Restaurant Association staff nutritionist, will walk you through the process of adding nutritious choices to your menu. You will learn how to identify the market, develop a menu, plan marketing strategies, assess sales potential and take advantage of inexpensive resources.

☐ **Little Things Mean a Lot.** Find out how to respond to subconscious comfort zones of today's restaurant patrons. Maggie Bonner, Air Force open mess operations specialist, will discuss the importance of space-relations, visual effects, personal identity and the overall comfort of the dining room environment. Finally, she will point out inexpensive, yet appropriate and impressive tabletop appointments and/or special centerpieces which can be created to personalize the image of your operation.

CHRIE Series: Internships. A panel discussion concerning internships in the hospitality industry, featuring students, faculty and industry representatives. Presented in cooperation with the Council on Hotel, Restaurant and Institutional Education (CHRIE).

You can fine-tune management or marketing techniques in one of 25 different management clinics or theater series.

IN-DEPTH SEMINARS PROVIDE MANAGEMENT KNOW-HOW

Educational seminars at the annual National Restaurant Association Show are ever popular—and it is a small wonder, given that 60 percent of showgoers are managers who can learn many new things that will help them in their careers.

This year's program, held for the first time on the lower level exhibition floor of McCormick Place's McNew Building, May 16 and 17, will include the following seminars.

Seminar attendees gain insight into management and marketing techniques that may help them in their careers.

One-day seminars Saturday, May 16

☐ **Coping with the Personal Demands of Foodservice Management.** Learn how stress affects foodservice managers and employees and how you can control it.

☐ **Food Cost Management.** This seminar will show you ways to save "lost" money with a proven system that controls costs by tracking actual food use.

☐ **Sanitary Assessment of the Food Environment (S.A.F.E.).** Traditional inspections often do not address the major causative factors of foodborne disease. This seminar will show you how to make your self-inspection system more reliable by applying the theories of hazard analysis and critical control points throughout the preparation process.

☐ **Kitchen Management.** This comprehensive program on the basics of kitchen management offers you money-saving techniques for improving efficiency and productivity. You will learn about purchasing and receiving, maintaining food quality, food cost, food production and preparation and effective management techniques.

☐ **Tools for Training.** Discover all the whys and how-tos of training. Learn how to build a solid employee training program by utilizing proven techniques that have been thoroughly tested in foodservice establishments.

Sunday, May 17

☐ **Banquet Management.** This new course will teach you about the administration of banquet facilities and functions, including presentation, timing, pricing, forecasting and equipment.

☐ **Foodservice Operators' Legal Workshop.** Find answers to the pressing legal issues facing foodservice operators today. The seminar will cover liquor liability, wage and hour concerns, immigration laws, employee rights and customer safety and security.

☐ **Menus That Sell.** Learn how to make the most of your menu—your number-one sales and marketing tool. This seminar will identify poor performers and will help you suggest ways to add new money-making items. You will also leave with an understanding of menu design and layout.

☐ **Dining Room Management.** Whether you are an owner/operator or a dining room manager, this popular seminar will show you how to build basic management skills, motivate employees and solve problems on the floor.

☐ **Increasing Sales: Effective Front-of-the House Management.** Learn how to analyze your present service style in relation to current service trends. Specific techniques for improving your dining room sales will be addressed.

Two-day seminars Saturday and Sunday, May 16–17

☐ **Off-Premises Catering.** This comprehensive course focuses on the essentials of the catering business. Topics will include the potential catering market, current trends, new business, menu development, production and handling, controlling costs, on-site staff and the importance of selecting a distinctive style and signature foods.

☐ **Planning and Implementing Restaurant Marketing Strategy.** This intensive program will teach you the basics of successful restaurant marketing, including increasing new and repeat customer trade, minimizing the risk of expansion and anticipating and solving problems that threaten profits and growth.

☐ **Real Estate and Restaurant Site Selection.** You will learn the key principles of successful site selection through careful analysis of existing market structures, customer profiles and the physical characteristics of the target site as well as economic and financial variables.

The cost of the National Restaurant Association's basic foodservice, food production and foodservice management courses vary. Basic one-day foodservice courses are $125 for association members and $155 for non-members. One-day food production and foodservice management courses are $155 for members and $195 for non-members. Two-day courses are $325 for members and $395 for non-members. Discounts for multiple attendees from the same company are available. For additional information, contact the association's Education Programs Department, 311 First St., N.W., Washington, DC 20001; (202) 638-6100 or (800) 424-5156.

HELOISE TO GIVE TIPS AT FIRST LADIES LUNCHEON

Heloise

Help pay tribute to the National Restaurant Association "first ladies"—especially Veva Hasslocher, the wife of association President G. "Jim" Hasslocher—at the Show's fifth annual First Ladies Luncheon.

The luncheon, always a hit with women in the industry, will feature Heloise as guest speaker. Heloise is a household tip expert and the author of the syndicated column "Hints from Heloise."

This year's luncheon will be held at the Chicago Marriott on Monday, May 18, at 11:30 a.m. Tickets are $25. Inquiries regarding tickets should be directed to the National Restaurant Association, 150 N. Michigan Ave., Suite 2000, Chicago, IL 60601; Attn.: First Ladies Luncheon.

TWO GALAS FOR THE PRICE OF ONE

This year's Grand Banquet and Show, held for the first time on a Saturday (May 16), will be more exciting than ever as it combines with the Annual Political Education Gala, organized by the association's Political Education Committee (PEC).

National legislators will mingle with PEC sponsors, donors and other banquet guests at the event, which honors the National Restaurant Association's new Chairman of the Board and President for 1987–88.

The entertainment for the evening includes such stars as singer Marilyn McCoo, formerly of the well-known Fifth Dimension group and comedian Tom Dressen. Ken Kercheval of "Dallas" will be master of ceremonies.

Marilyn McCoo

Tom Dressen

You can purchase tickets for the Grand Banquet and Show for $100 per person from Philip Kralovec, National Restaurant Association, 150 N. Michigan Avenue, Chicago, IL 60601, (312) 853-2525.

TEST YOUR SPEED, ENDURANCE IN "THE MAIN COURSE"

Bring your running shoes to the Show and join the more than 3,000 runners expected to turn out for the Show's annual 10-kilometer (6.2-mile) race, "The Main Course."

On May 17, competitors—Chicagoans and Show exhibitors and attendees—will take off at 8:00 a.m. from the starting line in Grant Park. They will run along the beautiful shores of Chicago's Lake Michigan in a contest of speed and endurance.

"The Main Course," also known as the foodservice industry's "most hospitable" race, has become a symbol of the industry's commitment to health and fitness. Awards will be presented to the first-place male and female runners and to the top three men and women in the individual age categories.

First, second and third-place prizes will also be awarded in three classes of team competition. To compete in one of the team classes, which include a Show exhibitor/attendee class, a corporate class and an open class for Chicago runners, a minimum of five runners must be willing to enter together. All runners will be judged according to the cross-country scoring method.

All race competitors are also eligible for the "You-Don't-Have-To-Win-To-Win" program—a random drawing offering runners a chance to win a grand prize round trip to Hawaii for two and dinners for two at top Chicago restaurants and hotels.

All runners will receive "Main Course" souvenirs, including colorful T-shirts donated by the National Restaurant Association and running gear contributed by the race's main sponsors. This year's sponsors include Coca-Cola USA, Miller Brewing Co., Pepsi-Cola Co., Inc.; *Restaurant Business* magazine; Sunkist Soft Drinks, and Tysons Foods, Inc.

To obtain race application forms, contact Marge Whalen, race director, National Restaurant Association, 150 N. Michigan Ave., Suite 2000, Chicago, IL 60601; (312) 853-2525.

Runners enrolled in last year's race, which was cancelled due to inclement weather, should mail the non-transferable rain check they received to the association's Chicago office, in care of "The Main Course," to obtain complimentary registration for this year's race. The fee for others wishing to participate in "The Main Course" is $8.95.

More than 3,000 runners are expected to turn out for the Show's annual 10-K race, "The Main Course."

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FLY THERE CHEAPLY

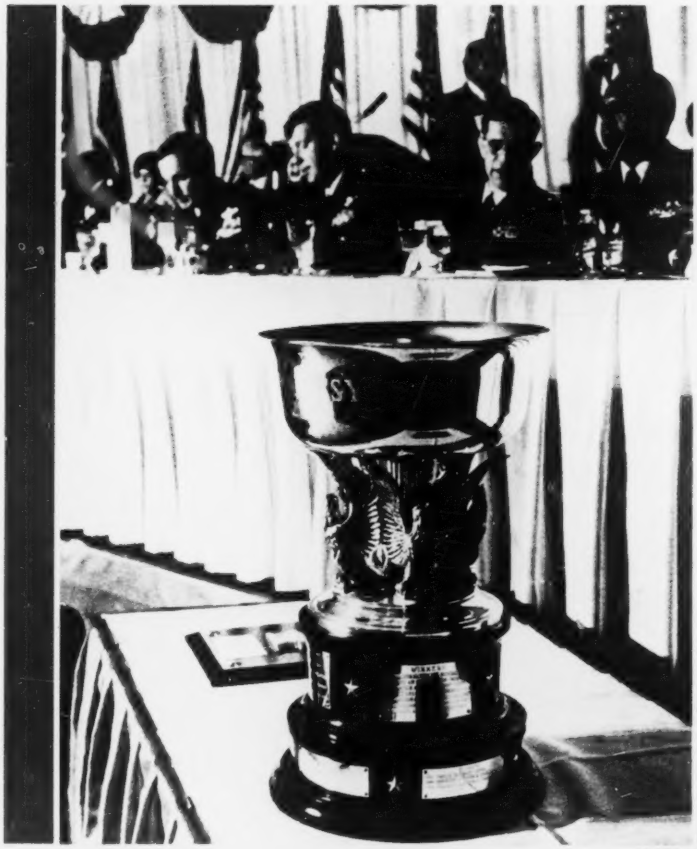
Showgoers can get the guaranteed lowest fares to the National Restaurant Association Show by flying Delta or United airlines—the official carriers for the 1987 Show. Call today for information and reservations. For Delta, call (800) 241-6760 and mention National Restaurant Association file D0078 and for United, call (800) 521-4041 and mention 7027J.

SALUTE TO TOP AIR FORCE FOODSERVICE BASES

The best in Air Force food management, preparation and service will be honored Saturday, May 16, at the 31st annual Hennessy Awards Luncheon at the Chicago Hilton and Towers.

The Hennessy Award honors Air Force bases with a traveling trophy, a 34-inch Revere sterling silver bowl. Winners are selected in each of three categories—single unit, multi-unit and reserve unit.

Secretary of the Air Force E. C. Aldridge, Jr. will be the keynote speaker at the luncheon honoring the Hennessy Award winners. For information about luncheon tickets, contact Ruth Tracy, Hennessy program coordinator, National Restaurant Association, 311 First Street, N.W., Washington, DC 20001, (202) 638-6100.



The Hennessy Award honors Air Force bases with a traveling trophy—a 34-inch sterling silver bowl.

CAP OFF YOUR NIGHT WITH THE CAPERS

Even if you are a little worn from an exciting day at the Show, you won't want to miss the Convention Capers, a well-loved tradition each year.

Two nights of top-flight entertainment will be offered to all Showgoers sporting their Show badge. On Sunday night, from 9:00 p.m. to 1:00 a.m., you can dance to the music of the Fabulous Fours featuring the Four Aces, ("Tell Me Why") the Four Lads ("Moments to Remember") and the Diamonds ("Little Darlin") at the Chicago Hilton and Towers.

On Monday night, you won't want to miss the country-western sound of The Forester Sisters at the Chicago Marriott, from 9:00 p.m. to 1:00 a.m.

The Four Aces left

The Four Lads

How to Find

by Laurel J. Hughes

Comparing "apples to apples" can be no easy task when reviewing equipment at a trade show because of the great quantity of information available within a short span of time.

Preparing before the Show

Organizing your equipment research can greatly simplify comparisons. The first step is to determine exactly what you need. Take some time to look around your operation and answer some questions before you arrive on the exhibit floor.

□ *What do you want the equipment to do?* Think about such things as menu needs, preparation methods and service style.

□ *What volume must be accommodated?* Do you need to fry 125 pounds of chicken in one hour or wash 2,000 dishes per day? If cooking and serving peaks occur at intervals during the day, it may be wise to consider several small rather than one large unit so the capacity can be adjusted to use.

□ *Where will the equipment be located?* Equipment should be conveniently placed in relation to its work area. Cooking equipment must be properly ventilated. Ceiling height clearance can make a difference.

□ *What existing utilities are available?* Check electrical voltage and phase (shown on a spec plate mounted to the equipment or verify with the building superintendent), drainage, gas and water lines. Also, check your hot water capacity for sufficient quantity and temperature if you are installing warewashing equipment. Ventilation for air-cooled refrigeration equipment is critical to its operation. Heat buildup can cause a reduction in performance or equipment failure.

□ *Can you get the equipment into the building?* Follow the travel route from the building entrance point to the place in the kitchen where the unit will be set. Include the size of doorways, hallways, corner turns, stairwells, ceiling heights and elevator cabs. Some large equipment can be delivered in sections and assembled on site. Check with the manufacturer for availability.

□ *Who will be using the equipment?* Knowing who will use the equipment will help determine size and operating requirements. Will it be a skilled employee, new hire or handicapped person?

□ *Have there been any problems with the equipment?* If your service agency services equipment from a variety of manufacturers (rather than being affiliated with just one or two), it may be able to advise you on particular models that have had an unusually large number of problems so you can avoid these units.

Your final pre-Show provision should be to prepare to *take notes.* It will not take long to forget who said what when you have examined half a dozen or more different pieces of equipment. To further organize this information, make a checklist of points to observe or inquire about. If you ask the same questions of each sales representative, it will be much easier to compare your notes later on. Unique equipment features should also be recorded as well as your impression of their value to your operation. A sample checklist form has been included for your use.

At the Show

Before entering the Show floor, be sure you pick up a copy of the *National Restaurant Association Exhibition Guide and Program.* Turn to the section titled "Exhibitors Listed by Product or Service" and locate the category of equipment you wish to research (for instance, "dishwashers"). The list will indicate each manufacturer's name and booth number, enabling you to find the booth location on the floor plan included in the guide.

You will probably visit a few different booths before you get used to the research methods. After the first two or three booths, take a moment to evaluate your notes. Are you getting the information you need? If not, add additional questions and be sure to return to the booths you have already visited to fill in missing information.

What to look for at each booth you visit

□ **Functionality.** The first step in your evaluation will be to locate the equipment model which best meets your capacity needs. If you have done your "homework," you should have all of the information the manufacturer's sales representative will need to assist you in this selection. The manufacturer's catalog literature will also be available. Most list the equipment capacity for individual models as well as other features.

Next, the sales representative will demonstrate some of the equipment features, briefly running through operating and cleaning procedures and in-

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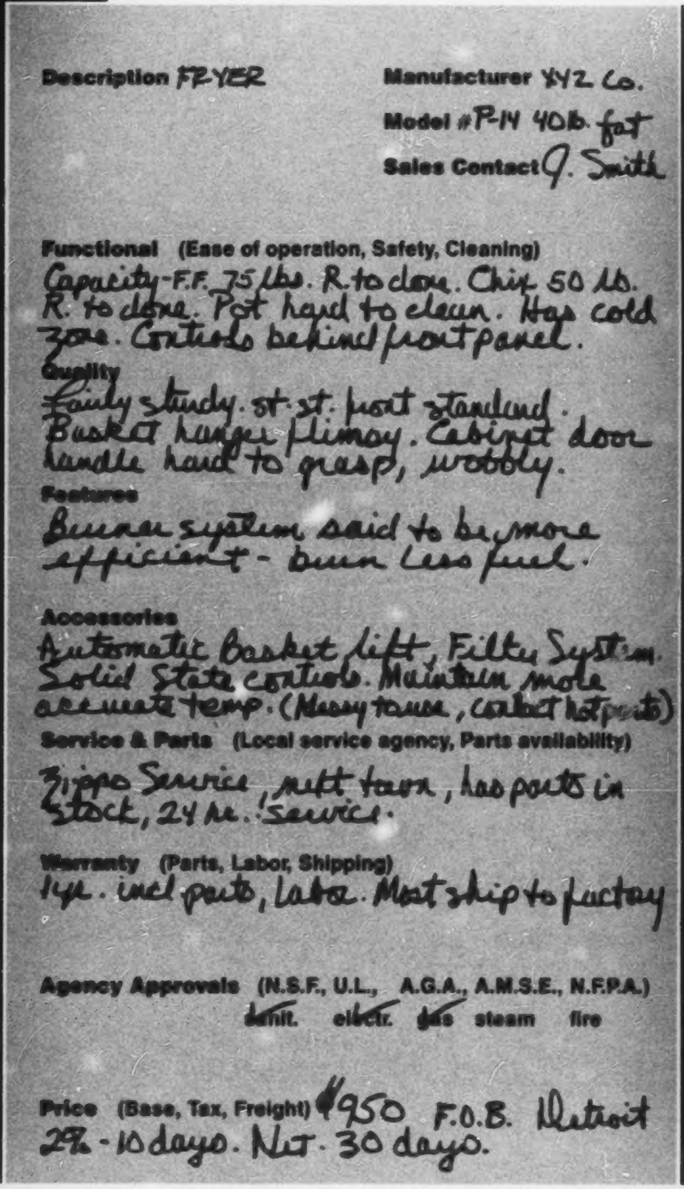
Laurel J. Hughes is a Senior Associate of Design for MDR Associates in Fairfax, VA, a professional hospitality management consulting firm specializing in kitchen design, restaurant development and menu development.

at the Show



Description FRYER

Manufacturer XYZ Co.

Model # P-14 40lb. fat

Sales Contact J. Smith

Functional (Ease of operation, Safety, Cleaning)
Capacity-F.F. 75 lbs. R. to done. Chix 50 lb. R. to done. Pot hard to clean. Has cold zone. Controls behind front panel.

Quality
Fairly sturdy. st. st. front standard. Basket hanger flimsy. Cabinet door handle hard to grasp, wobbly.

Features
Burner system said to be more efficient - burn less fuel.

Accessories
Automatic Basket lift, Filter System. Solid State controls. Maintain more accurate temp. (Messy to use, contact hot parts)

Service & Parts (Local service agency, Parts availability)
Zippo Service next town, has parts in stock, 24 hr. service.

Warranty (Parts, Labor, Shipping)
1 yr. incl parts, labor. Must ship to factory

Agency Approvals (N.S.F., U.L., A.G.A., A.M.S.E., N.F.P.A.)
[✓ sanit.] [✓ electr.] [✓ gas] steam fire

Price (Base, Tax, Freight) $950 F.O.B. Detroit 2% - 10 days. Net 30 days.

dicating control and access locations. Try out these procedures for yourself to get a feel for the actual ease of the operation. It may be harder than it looks. Controls should be accessible and moving parts should operate easily. Be particularly alert for safety features or hazards, including shields or guards for sharp blades, contact with or reaching across hot surfaces or open flames and protruding or moving parts which may snag clothing or hands. What physical abilities are required for operation? (Always keep in mind who on your staff will be using this equipment.) Significant physical strength may be needed to operate some equipment. Are any areas too far across or too high to reach? Repeated bending, for example, can quickly cause fatigue and soreness.

Pay close attention to how easy it is to clean the equipment. The cleaning process should be quickly and easily accomplished to encourage employees to comply with procedures. Food contact surfaces, in particular, should be easily accessible for wipedown. An N.S.F. (National Sanitation Foundation) label will assure that equipment has no hard-to-clean crevices and seams. Beware of equipment that has a multitude of small pieces or fasteners which can easily be lost. Also, be sure that removable pieces are not too large to be properly cleaned and sanitized with your present warewashing equipment. Note what, if any, additional equipment will be required for proper cleaning since it will need to be purchased by the time the equipment is installed.

Another important consideration is the need for clearance around the equipment for ventilation or maintenance requirements. Take notice of these clearances in light of the kitchen space and equipment surrounding the area in which you plan to locate the unit. Ease of access can hasten maintenance and repair time, thereby minimizing the period in which equipment is inoperable. Front access is easiest and preferred if available.

Accessories and options are offered for most equipment. They can improve the equipment performance, provide labor savings or multiply the functions which the unit can accomplish. All of the requirements outlined also apply to these attachments. Consider each in relation to your operational needs.

☐ **Quality of construction.** The quality of equipment construction greatly influences its expected lifespan. As most foodservice operators can testify, most equipment is not only used, but frequently badly abused. Many design and construction techniques and materials have evolved to help make equipment sturdy enough for heavy-handed use. A look at several of these factors can help determine if the unit will survive to provide a long life of service.

Much equipment consists of a *frame covered by a sheathing of metal.* Stainless steel, aluminum and galvanized steel are common materials. Stainless steel is the most expensive of the three and also the most impervious to corrosion, pitting and discoloration. It is very strong and can be polished in the factory to a matte or mirrorlike finish. Type 304, 18-8 stainless steel is most commonly used. Aluminum also holds up well against corrosion, but it is susceptible to staining from certain detergents and chemicals. As it is softer than stainless steel, scratches, gouges and dents are more of a problem. Aluminum is also lighter in weight than steel but not as strong. Galvanized steel has the strength characteristics of stainless steel. A galvanized coating as well as an additional baked-on enamel finish helps prevent corrosion. But, eventually, chips and cracks in these coatings will allow the underlying steel to rust.

Metal gauge (GA.) designates thickness. The lower the number, the thicker the metal. Low-impact equipment faces, such as counter aprons and exhaust ventilators, are usually 18 or 20 gauge. Heavy-use surfaces, such as worktops, should be at least 16 and preferably 14 gauge.

A reinforced framework is important for equipment which holds a lot of weight or experiences high impact from heavy objects. For example, an unreinforced countertop can noticeably bow from the weight of a coffee urn. Likewise, a storage shelf or table undershelf can bow or even crease and buckle if a heavy object is tossed onto it. Sturdy leg structure requires horizontal support to prevent wobbling and deflection. Tie-rods accomplish this on mobile racks, crossrails or worktables. The least sturdy reinforcement method is to simply hem and turn the edge of the enclosing metal sheet. This is commonly seen on cabinet bases. If the unit will be located where it is subjected to impact from mobile carts and other moving objects, a more substantial framework would be advisable.

Note the fastening method used to attach pieces together. Welding is by far the sturdiest and most permanent method, but it is also the most expensive. A fully welded piece of equipment can last years longer than one fastened by other means. Pop rivets have become a popular fastening method with manufacturers as they are quicker and less expensive to use than welding. However, pop rivets have a hole in the middle which can collect debris, and they cannot be replaced if they snap off. Screws are the least desirable fastener unless needed for access panels which must be periodically removed. Screws tend to work loose from the vibration and flexing of the equipment when in use and can fall out entirely, or the screw hole can become stripped and irreparable.

☐ **Service and warranties.** Service availability is an issue well worth considering. Ask if there is a service agency in your area that can handle repairs and maintenance. Also check for ready availability of parts. Many manufacturers warehouse all parts for overnight delivery. Be particularly careful about parts and service for imported equipment. Foreign parts sometimes take weeks to receive.

Warranties from various manufacturers are generally quite similar for comparable types of equipment. It is worth noting if labor for repairs is included and if the unit will be serviced at your facility or must be disconnected and shipped back (frequently at your expense) to the factory.

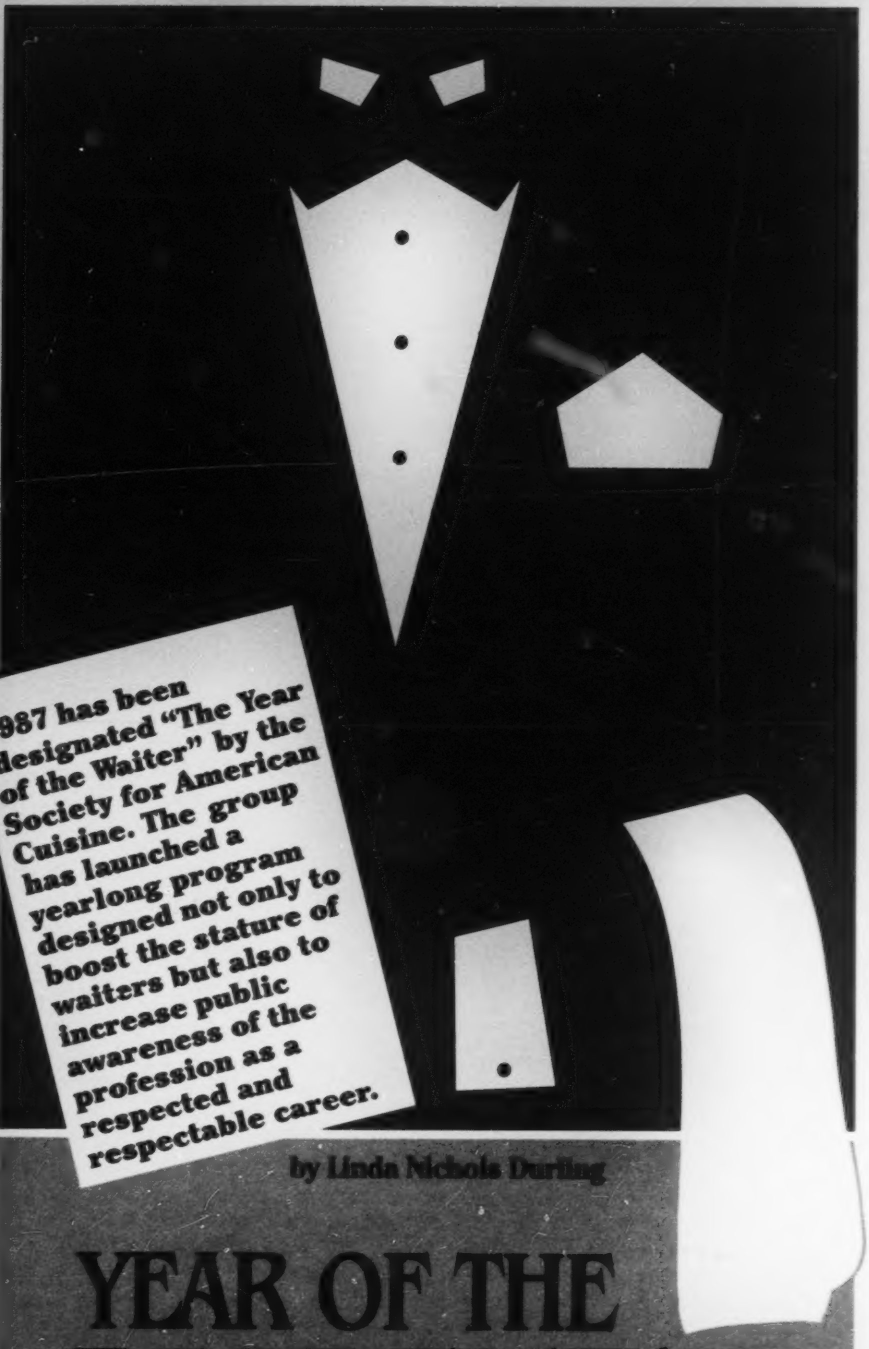
☐ **Agency listing and approvals.** A variety of codes and standards has been set to assure equipment safety and sanitation. Although subject to local interpretation by governing officials (namely the health department, fire marshall and building department), these codes are generally adhered to for the issue of permits. Also, many licensed installers will refuse to connect equipment which does not have the proper listings.

Most manufacturers have complied with these codes in constructing their equipment. If so, the agency's approval seals will be prominently displayed on equipment and sales literature.

Organization	Application
National Sanitation Foundation (N.S.F.)	Sanitation
Underwriters Laboratories (U.L.)	Electrical Fire Safety
American Gas Association (A.G.A.)	Gas
American Society of Mechanical Engineers (A.S.M.E.)	Steam
National Fire Protection Association (N.F.P.A.)	Fire Safety

☐ **Cost.** Price alone should not be the sole determining factor in your purchase decisions. As you might expect, more expensive equipment is generally built better and will last substantially longer than low-priced equipment. You will find that different manufacturers at relatively the same quality level will not differ all that much in price. Also, most prices *are* negotiable. The most important factors are that the equipment will do what you need it to do and that it is of sufficient quality to get your money's worth in service.

A tip for multi-unit operators. If you are considering purchasing equipment in quantity, some manufacturers may be willing to "loan" you a unit to test it out in your own kitchen. The terms of this loan will vary, but it can save making a costly error in equipment selection. ❑



1987 has been designated "The Year of the Waiter" by the Society for American Cuisine. The group has launched a yearlong program designed not only to boost the stature of waiters but also to increase public awareness of the profession as a respected and respectable career.

by Linda Nichols Durling

YEAR OF THE WAITER

Raising the status of waiters in America

"I'm a waiter, but . . ."
". . . I'm just doing it until something else comes along."
". . . it's just a way of financing college."
". . . I'm an actor during the day. . . ."
Waiters, it seems, commonly feel the need to justify their position in order to raise their status in the eyes of others. Waiting, they claim, is a means to an end—not an end in itself. Perhaps this is a clue to the present service crisis in America.

Patrick O'Connell, chef and owner of the Inn at Little Washington in Washington, VA, believes action needs to be taken to change society's perception of waiters and waiters' perceptions of themselves. "We need to raise the status of waiters in the United States before we can have great restaurants like those in Europe," he says.

European waiters are considered artists

Service at great restaurants in Europe is excellent, O'Connell says, and one reason for that is the belief that waiters are artists. "A European waiter has the same status as a fine musician," O'Connell points out. "To work at a fine three-star restaurant in Paris would be equal to working in the White House," O'Connell adds. "It is taken for granted that waiters will be well-spoken, gifted . . . literate human beings, comfortable among dignitaries."

Unfortunately, American waiters are not seen in the same light. O'Connell says society considers waiting a low-status job, so waiters perceive it in the same way and often fail to perform like professionals even though they often command a professional salary.

American waiters are not respected

Bill Sarkees, a waiter at the 165-seat Frog restaurant in Philadelphia, PA, for the past five years, agrees. Speaking at the fifth Symposium on American Cuisine last September in Philadelphia, PA, Sarkees voiced his exasperation. "Why don't people regard waiting as a career? To the public, the stereotypical waiter is uneducated and, therefore, inferior to those he is serving. He is im-

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Linda Nichols Durling is an intern at **Restaurants USA.**

polite, even rude. And, of course, the customer assumes a waiter can't do anything else for a living. If he could, he wouldn't be waiting on tables."

O'Connell explains that these perceptions create the service dilemma for the restaurant industry. "Since waiting tables has not been respected, it cannot attract the kinds of people we need to provide quality service."

O'Connell theorizes that one reason waiters are not well-respected in America is that Americans are not comfortable with the idea of being served. "We have some embarrassment as a culture with serving and being served—its roots are in democracy—we don't understand the duality of being served."

Nationwide project to raise self-esteem of hospitality industry employees

Hospitality industry employees can afford to take pride in their profession. That's the message of "Ours Is A Special World—America's Hospitality Industry," a program launched last fall by the National Restaurant Association and 14 other national organizations. The program reminds employees that the hospitality industry includes foodservice, hotels, motels, clubs and the manufacturers and purveyors that supply them. It says that their industry performs a valuable social service; it cares for Americans away from home. And it reminds them that the hospitality industry offers a great variety of job opportunities and a remarkably rapid career ladder. In fact, the program underscores the simple truth that the future of America's hospitality industry is bright, bountiful, almost boundless. (The current aggregate employment approximates 10 million people. By the 1990s, the aggregate sales volume will exceed $400 billion.)

This message of self-esteem is conveyed to employees through posters, ad mats, buttons, bumper stickers and an eight-minute videotape. Samples of these materials were mailed to 68,000 companies in October.

If you need further information on "Ours Is A Special World—America's Hospitality Industry," call the association's communication department at (202) 638-6100 or (800) 424-5156.

Andre Soltner, chef-owner of the 90-seat Lutece in New York, NY, believes the problem comes from equating waiters with domestics. "That doesn't fit our time any more," he maintains. "There are no domestics anymore. The workers have disappeared. I hope it will not happen to waiters. . . . They need stature."

"Year of the Waiter" begins

O'Connell and The Society for American Cuisine, a national professional association for the foodservice industry, have started a campaign to elevate the image of servers. In its Symposium on American Cuisine last year, the Society for American Cuisine formally dedicated 1987 as "The Year of the Waiter." This yearlong program is designed not only to boost the stature of waiters but also to increase public awareness of the profession as a respected and respectable career.

For the first time, the annual symposium invited waiters to share their views on what it means to be a waiter. O'Connell, chairman of the society's "Year of the Waiter" campaign, moderated the panel discussion, which included three men and one woman—all long-time waiters in the Philadelphia area.

A three-pronged plan

Out of that panel discussion arose a three-pronged plan of attack to raise waiters' status, both in the eyes of the restaurant industry and in the eyes of the public. Just as the position of chefs has changed, in only a few years, from a job to a profession—even an art—O'Connell thinks the position of waiter can change in the same fashion. Other restaurateurs, such as Soltner, agree.

1. Job title. One of the first issues raised at the symposium was the title of the job. The waiters on the panel agreed that the term "waiter" is dignified, but the term "waitress" is not. The solution they suggested is to call everyone a waiter. Just as a chef is both a feminine and masculine term, so could the term waiter connote both women and men servers, they said.

Inspired by the symposium, O'Connell implemented the name change in his restaurant. Although the new title took a little getting used to by the service staff (which is almost 50 percent female), it has quickly caught on. Michael McCarty, chef and owner of Michael's, a 120-seat restaurant in Santa Monica, CA, is not surprised. He has always called all his servers waiters, and they have liked it. "A waiter is a waiter," he says matter-of-factly.

2. Abolish tipping. The name change may raise waitresses' opinions of their own status, but how best to change society's view? The panel discussion at the symposium turned to the idea of abolishing tipping. The waiters said that the practice, although lucrative, is somewhat humiliating. As Bill Sarkees of the Frog restaurant explains, "Working for tips strikes me as a form of begging." To clarify his impression he pointed out that it is not a general practice after a medical examination or treatment to tip the doctor for a job well done: The doctor has a fee, and the patient understands this.

Sarkees concludes that "If we expect the public to regard waiting as a serious means of making a living, it should not be the public that gives us our salary." Sarkees suggested that American restaurants follow the European system of including a service charge in the bill.

The handful of restaurateurs who have implemented the service charge system in their restaurants agree that the system is an important way to improve the status of waiters. First, it creates a system of seniority. In establishments with tipping, a new person can earn the same salary as someone who has been working steadily for eight years. Second, it gets rid of jealousy between the back of the house and the front of the house since everyone is paid according to skill and merit.

But most important, says O'Connell, "The waiters find themselves with a guaranteed income, and they feel their money is given to them because of their worth instead of being based on the whims of the unknowing public.

"This tends to increase incentives, increase longevity and increase self-respect because it measures the true worth of the individual to the restaurant," O'Connell adds. "As soon as we get rid of the idea that diners buy the loyalty of the waiters and the waiter sells out for a tip, customers will begin to respect waiters more."

At restaurants such as Michael's, waiters' salaries are financed by a 15 to 18 percent service charge. This provides enough income to pay the top waiters salaries that are more than competitive with flat tips. Although initially the dining public may be confused or upset by the system, once they are educated, McCarty and other restaurateurs who have implemented the system think everyone will be happier because service will be improved and the nuisance of figuring out tips will be eliminated.*

3. More training. Finally, the panel urged that waiters be more thoroughly trained. If unskilled waiters are not allowed on the floor, the public's poor perception of waiters will soon diminish, the panel maintained.

McCarty says that he has noticed that training has helped raise servers' self-esteem in his restaurant. "The waitstaff in our restaurant is a very proud group because we give tests, wine tastings and constant training," he explains.

O'Connell also feels very strongly about the importance of training. "Training is the singlemost important aspect to having an excellent staff," he states emphatically. O'Connell says he recently started an apprenticeship program for all new hires. "We no longer start new workers as waiters, even if they have worked 20 years in the business," he says. The apprenticeship program at the Inn at Little Washington lasts anywhere from three weeks to one year, depending on how fast the apprentice learns and how much prior experience he or she has.

Waiter Bill Sarkees agrees that all waiters would benefit from having stiffer entry requirements and more training. "All waiters suffer when a few unprofessional waiters do not take their jobs seriously," he says. "Only those people who have a love of food and a knowledge or understanding of it should be considered for the job."

Gary Penn, a professional waiter with more than 10 years experience at both casual and elegant restaurants, is one person who has taken steps to help people entering the serving profession build skills. He runs the Professional Waiter's School in Los Angeles, CA, offering a two-week course for individuals with no previous experience.

Penn says his school teaches that there is more to being a waiter than just serving food. "When you work at a great restaurant, no longer are you just going up to the table and saying, 'What do you want,'" Penn explains. "You are more like an educator, guiding the customer through the dining experience."

When more waiters have this kind of training, Penn thinks, the idea that waiting is a second-class job is going to change.

In sum

Calling all servers waiters, abolishing tipping and increasing emphasis on waiter training and selection are not going to change the status of waiters overnight, however. But the more contact the public has with well-qualified, professional waiters, the more the public will respect waiters both in and out of restaurants. This increased status will lure even more bright, articulate and educated individuals into the profession. And perhaps the restaurants' service dilemma will be solved. ❑

Essay contest to uncover what makes a waiter great

In order to heighten national awareness of the waiter as a foodservice professional, the Society for American Cuisine is sponsoring a major essay competition. Any waiter currently employed in a foodservice establishment anywhere in the United States can compete with a description of "The Perfect Waiter."

Patrick O'Connell, chef and owner of the Inn at Little Washington in Washington, VA, and chairman of the "Year of the Waiter" campaign, said the goal behind the essay competition is to demonstrate to the public that waiters are literate, well-spoken and ambitious and that view themselves as professionals in a career that offers both profit and honor. "We also hope that it may teach us something about waitering that may contribute to a heightening of status," he says.

The grand prize, given to the entrant who provides the best description of the perfect waiter, will be a coast-to-coast culinary tour of America for two. This seven-city tour will begin in San Francisco, CA, and end in New York, NY, with gastronomic stops in Santa Fe, NM; Dallas, TX; St. Louis, MO; Chicago, IL; and Washington, DC. The winner will dine in each city's finest restaurants and stay at one of its leading hotels.

Three other grand prize winners will enjoy a weekend in San Francisco and a tour of the wine country, a weekend in New York with dining in three of New York's outstanding restaurants or a weekend at the Inn at Little Washington in Washington, VA.

Five individuals will win an all-expense-paid trip to the Symposium on American Cuisine, September 12–16, 1987, in Charleston, SC. All nine winners will be treated as special guests of honor at the symposium.

Twenty-five waiters will receive baskets of American foods and wines, and the top 100 finalists will each receive a special certificate and a specially minted medallion of recognition.

The judges will include a panel of distinguished food writers and restaurateurs.

In a related event, The Society for American Cuisine is planning to ask a panel of noted American authors and other celebrities to contribute essays on their impressions, experiences and feelings about the waiter's role in American society. These essays will be published in a leading consumer publication, with release timed to coincide with the announcement of the winners of the "Year of the Waiter" competition at the Symposium on American Cuisine this September.

O'Connell says the society is busily working to find sponsors for this contest, which is projected to cost about $50,000.

For entry blanks or more information, contact the Society for American Cuisine, 304 West Liberty St., Louisville, KY 40202; (501) 583-3783.

For a more extensive discussion of service charges versus tipping, see the February 1987 issue of **Restaurants USA.**

RESTAURAN

In an ideal world, all restaurants would be completely up to speed when they opened. Unfortunately, many don't have the time, cash flow or expertise to iron out all the

by Cecelia Niepold

A restaurant opening is much like the opening of a new play. Both are forms of entertainment with many different parts and players. And, no matter how well planned, it is rare that either are perfect from day one.

Realizing this, some restaurateurs are emulating the time-tested formula used by many theaters by incorporating a preview period with reduced prices. "Most types of entertainment have preview periods," says Antony Worrall-Thompson, co-owner of the New York, NY, branch of Menage a Trois, a "grazing" concept which has incorporated a preview period into the opening of each of its five international units. "Restaurants are entertainment as well, and it only seems right that people shouldn't pay full price for a restaurant's dress rehearsal." Consequently, Menage a Trois offered a 30-percent discount on its menu prices during its first six weeks, capturing the public's enthusiasm and the critics' approval.

Ironing out the wrinkles

"When I opened, I didn't have any experience in the food business," confesses Jean-Claude Baker, owner of Chez Josephine, an eight-month-old French bistro in New York, NY. "I felt it was appropriate to reward customers with lower prices because I needed some time to learn the trade. And, because the prices were reduced by one-third, I felt more comfortable if something went wrong.

"Even if you allow extra time for training, it is different when paying customers first walk through the door," he says. "The real fire, the real battle, is with customers who pay. That is when you really learn." And learn he did. During the month-long preview, he removed slow-selling items from the menu, refined recipes and tightened up service speed.

For instance, he offered a lobster cassoulet with white beans on his preview menu, but knew he was missing something and decided to substitute black beans instead. "By the time I officially opened, the lobster cassoulet with black beans was a hit, and a reviewer did a wonderful writeup of the dish," he says proudly. "Yet, I needed that three weeks of customer comment and experimentation to bring it to its proper state."

Developing goodwill

Besides providing a time period to perfect tangible elements, such as service and menu items, preview periods also generate a very crucial intangible for fledgling restaurants—customer goodwill.

At Chez Josephine, customers felt like partners in the restaurant's growing experience. "Instead of passive observers, they were active participants. They wanted me to succeed because they had been a part of it," Baker says. "In eight months, we have already developed quite a following of dedicated patrons who come back often and also send their friends and relatives."

"Offering preview prices definitely generated a lot of feelings of goodwill," agrees Ruth Ann Pittluck, co-owner of 1000 Wilshire in Santa Monica, CA, a contemporary Italian eatery which offered a preview discount of 25 percent when it opened in December. "Because we admitted we were in a preview stage, people were more comfortable telling us what was wrong. If they had a bad dinner, if it was cold or took too long, they said, 'We'll be back because the potential is here and we know you are trying,'" says Pittluck. "A lot of restaurants open, have high prices, don't pull it together right away and people never come back. But, if people feel you are really trying and not taking advantage of them, they will be back again and again," she says.

Critics generally approve of previews

Even critics are gentler with restaurants that have previews. Although critics generally wait at least one month before officially reviewing a new restaurant, they appreciate an owner's honesty in admitting the restaurant may not be up to snuff initially. Consequently, they view the end of a preview as a concrete signal that the restaurant is ready to be critiqued.

"Restaurateurs constantly complain that critics come too early to review," says Paul Camp, restaurant critic for the *Chicago Tribune*. "But I believe if a restaurant is charging full freight, then they should be ready to justify that price. However, if a restaurant discounts their prices for a certain amount of time, reflecting the fact that they have kinks to iron out, I will take that into account when I review or wait to review until they signify they are ready by raising their prices."

Ruth Reichl, restaurant editor of the *Los Angeles Times*, agrees. "I tend to be much more generous toward a restaurant that admits they are having opening problems," she says. "A preview has a feeling of professionalism. It's nice when a restaurant says, 'We really care. We're admitting we are not what we will be. To reflect that, we'll give you 15 to 20 percent off.' In such an instance, people aren't as likely to complain about the kinds of things that always happen when a restaurant opens."

Cecelia Niepold is managing editor at **Restaurants USA**.

PREVIEWS

kinks before opening day. For some restaurateurs, offering a preview with reduced prices is a practical as well as a more comfortable way to perfect the imperfections.

Building this kind of customer loyalty is obviously very important in today's competitive market. "In these days of what I call the 'migratory herd,' it is very difficult to develop the kind of customer loyalty restaurants enjoyed 20 years ago," says Camp of the *Chicago Tribune*. "But, if you can do something extra for people, catch them the very first time they come to your restaurant, get them on your team and help them 'buy into' the success of the restaurant, you may create that kind of loyalty. But you have to do it right at the beginning; that's your only opportunity because customers move quickly."

Considerations

There are many advantages to staging a restaurant preview, but, before raising the curtain, consider these factors.

☐ **Discount percentages.** Pricing a preview menu can be tricky—there is no special formula, and each restaurateur has to arrive at his or her own "bottom line" according to the market and menu.

Ruth Ann Pittluck sums up the most common approach: "We wanted the percentage to be high enough to be an incentive to get people in, but, at the same time, not so high that we couldn't cover our costs. Twenty-five percent seemed to work well. We didn't make money, but we didn't lose any either and the rewards were well worth the expense."

Antony Worrall-Thompson took a different approach when deciding on a preview discount. "I felt we were two-thirds of the way toward being complete," explains Worrall-Thompson, "so I decided on a 30-percent discount because that was my estimation of how much we were lacking."

☐ **Pricing strategies.** Pricing strategies can also vary. Some restaurants use full-price menus and credit customers a certain percentage, while others print special preview menus with lower prices.

At 1000 Wilshire, for example, customers were presented with the actual menu and an attached preview card which read: "Our goal is to have the finest restaurant in Los Angeles, but we know there will be some unforeseen problems that will prevent us from achieving our standards right away. To reward you for trying us during this period, we will automatically credit your bill with a 25-percent discount on all food purchases."

Antony Worrall-Thompson agrees with this philosophy. "Having the real prices on the menu looks better psychologically," he says. "Patrons can see the savings for themselves and won't be surprised when the prices go up."

Jean-Claude Baker took a different approach. He knew he would probably refine the menu and printed a special preview menu which only had preview prices on it. To make the preview period clear to customers, however, he included a statement at the top of the menu which informed customers that the prices were one-third below the eventual prices and that the reduced prices would be in effect for one month only.

☐ **Customer reaction.** Because restaurant previews are a fairly recent development, it is wise to carefully consider how you will announce your preview and how customers may react. For instance, some critics caution that preview prices may not appeal to some customers. "You have to be very careful in the way you promote the reduced prices," says Paul Camp, restaurant critic for the *Chicago Tribune*. "The question is whether the public will think they are getting something special or if they will just think things aren't right yet and wait to visit until they are."

Adds Bob Levey, restaurant critic for the *Boston Globe*, "If something is discounted, sometimes people think less of it."

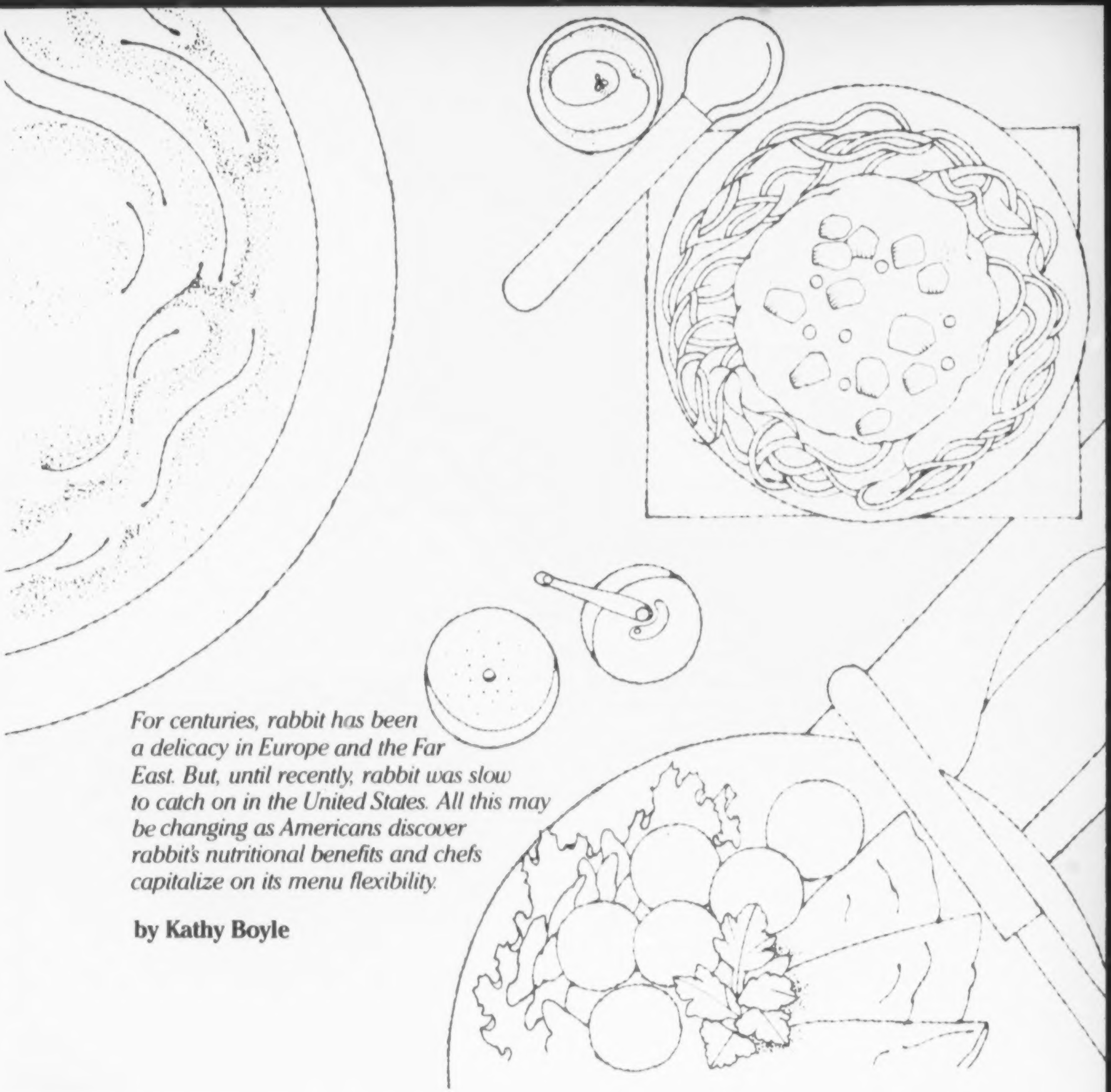
☐ **Advertising.** Most critics agree that a restaurant preview can generate welcome advertising for a new restaurant. Even so, Antony Worrall-Thompson of Menage a Trois advises operators not to advertise preview prices. "We didn't advertise our lower prices because we didn't want to attract a horde of cheapskates," he says frankly. "Our purpose was to thank customers for trying us while we were ironing out details, not to bring in so many people that we would be swamped." He suggests that word-of-mouth advertising is best.

On the right track

A reduced-price preview may not be the perfect solution for every new restaurant, but the general concept of learning from customers and compensating them for a "practice" dining experience is something first-time restaurateurs may want to consider.

There are other ways to preview menus as well—from complimentary desserts or appetizers to "soft openings" where select groups of customers are invited to test a new operation. Some restaurants are even holding previews for charity—inviting paying customers to sample the restaurant, learning from their comments and then donating the proceeds to a charity.

No matter which particular avenue is chosen, critics and customers alike applaud the growing recognition among new restaurateurs that it takes a while to fine-tune a restaurant. As Marian Burros, critic for the "Living Section" of the *New York Times*, says of restaurants offering previews, "Perhaps this is the cutting edge of a new and welcome trend." ☐



For centuries, rabbit has been a delicacy in Europe and the Far East. But, until recently, rabbit was slow to catch on in the United States. All this may be changing as Americans discover rabbit's nutritional benefits and chefs capitalize on its menu flexibility.

by Kathy Boyle

Rabbit is slowly making its way onto dinner tables in all types of restaurants. Although Americans have not overcome all of their tendencies against eating "cuddly bunnies," there is growing acceptance for rabbit because it is lower in calories and fat than most other meats, including veal, chicken, beef, lamb and pork. It is organically raised (without additives), and 95 percent of the protein in rabbit meat is digestible—again, a higher proportion than found in most other meats.

Cooked rabbit tastes very much like chicken; its texture is similar and so is its versatility. For example, it can be cooked in a wine or mustard sauce, served over noodles, made into a pate or sausage, shaped into a patty and sauteed, served in a stew, roasted, breaded, barbecued, fried or combined with such complements as blue cheese dressing.

How restaurants serve rabbit

Stephan W. Pyles, chef and partner in the 52-seat Routh Street Cafe in Dallas, TX, and the bistro—Baby Routh (145 seats)—serves rabbit in both establishments. At the original Routh Street Cafe, a fine dining restaurant with a five-course, fixed-price menu that changes daily, rabbit is on the menu at least once every two weeks. At the more casual Baby Routh, Pyles serves rabbit daily. "At Baby Routh, we use the rotisserie and roast a loin or a leg, serving the equivalent of one-half rabbit off the bone," says Pyles. "Then, I serve it with black bean sauce with an avocado-tomatillo relish or with creole mustard and maple grit cakes as a side dish."

Bill Parton, chef and manager of the historic, 97-year-old, Buckhorn Exchange, both a 85-seat restaurant and museum in Denver, CO, serves a regular rabbit plate and a combination

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Winning customers over to RABBIT

plate of rabbit and buffalo. "We also make a rabbit sausage, and I barbecue rabbit and serve it with tiny vegetables and artichoke hearts, mushrooms and onions in a beef stock with sour cream and bacon," explains Parton.

Umberto Zuluaga, co-owner of the 110-seat Capriccio Restaurant in Brewster, NY, does not keep rabbit on the menu, but he regularly makes it on request and has noted a growing interest in game such as rabbit. "I serve it lots of different ways," he says. "I marinate it in red wine with carrots, rosemary and tomato paste, then I strain it and serve it with fettuccine and wild mushrooms, or I just saute the rabbit with wild mushrooms."

Introducing rabbit to customers

Some chefs believe customers need to be introduced gradually to rabbit, but agree that persistence in serving rabbit can pay off. The 150-seat Heritage Restaurant in Mariemont, OH, 12 miles east of Cincinnati, serves contemporary American dishes and features a number of Cajun and Southwest American specialties. Both regional cuisines include a good deal of wild game and rabbit. According to chef Jerry Hart, "We usually use five rabbits a week. I run different specials. For example, I take the legs and pound them like veal and serve them like veal picatta. Or I serve the loin grilled as an appetizer with several sauces: a mustard sauce, a red pepper sauce and a chili sauce. I use the front legs in a sausage and rabbit jambalaya. And I also serve a smoked rabbit sausage." To promote the rabbit dishes, Hart invites servers to taste the dishes. "I know if they like a dish, it will sell well."

Cathy Armburger, chef at the 80-seat La Normande in Pittsburgh, PA, and the less formal 60-seat Le Bistro, serves quite a few game dishes—venison, grouse, pheasant, duck, elan and moose as well as rabbit. "I have been serving rabbit for four years and have seen steady growth. It moves very well, and it has become so popular that I put *La Pereau Braise a la Provencal*, rabbit with garlic, onions and tomato, on my menu as a regular item. Two other rabbit dishes featured as specials are *Lapin aux Calvados* and *Lapin au Moutarde*. "In the bistro, I use daily blackboard specials serving a grilled tenderloin of rabbit or a rabbit stew or a hot rabbit pate en croute with a spicy Dijon dressing and wild mushrooms," she says.

Armburger felt so confident that she was winning customers over to rabbit that she even risked selecting rabbit for one of the main dishes for La Normande's eighth anniversary dinner, and it proved to be very popular.

Milos Cihelka, Czechoslovakian-born chef-owner of the 220-seat Golden Mushroom restaurant in Detroit, MI, is also extremely fond of wild game. In fact, he created a rabbit dish for his entry in the 1984 International Culinary Competition in Frankfurt, Germany. The dish—whole, boned rabbit, stuffed with sweetbreads, spinach and ham, then tied, roasted and served in individual round slices—won him a gold medal.

Even hospitals have become interested in rabbit because it is raised without chemicals and is low in cholesterol, notes Judith Widmer, partner of Wild Game, a fresh game distributor in Chicago, IL.

Rabbit promoted in game festivals

Although many restaurateurs do not serve rabbit regularly, some occasionally or seasonally highlight rabbit during a special game festival. Each year, Trumpets, the 138-seat restaurant in the Grand Hyatt Hotel in New York, NY, for example, holds a game festival, which always includes rabbit. This past year's selection was *Terrine of Wild Rabbit with Pistachios and Plum Compote*.

Since the rabbit consumed in restaurants is raised, not hunted, there is really not a season for rabbit. Many customers, however, perceive rabbit to be a seasonal item available only during hunting season. This is not true except for wild rabbit, which rarely finds its way onto menus. "Typically, people associate rabbit with the fall and winter," says Armburger. "It is almost synonymous with the way people think of oysters. As you know, you can get oysters year round today, but people cling to the notion that they can get them only in the "r" months of the year. It is the same with game. Even though the game is raised on farms and is good quality year-round, at the end of March people quit ordering it as much, although I leave it on the menu."

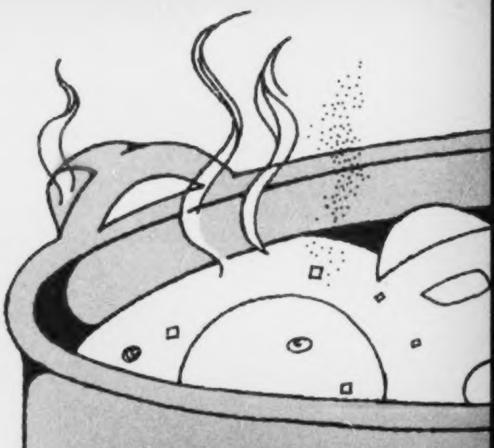
Procuring rabbit

Getting a steady supply of rabbit is no problem. If the local meat purveyor does not offer rabbit, there are a number of specialty purveyors who ship overnight. Typically, specialty suppliers ship in corrugated boxes with insulated styrofoam liners packed with ice. The product is sold c.o.d. by the pound, with freight charges added. Margaret Morales, vice president, marketing, of the American Commercial Rabbit Association in Arlington, WA, tries to keep an up-to-date list of suppliers to put customers in touch with one nearby.

Despite shipping costs, many chefs agree rabbit can offer a very good food cost ratio since it brings an excellent price on the menu. "I can get it flown in any day of the week; and since it is wrapped in cryovac, it has a longer life. I get it at a good price initially, and I get more for it on the menu since it is served in some of the more unusual dishes. And, it is a good seller, so it makes sense," says Stephan Pyles of the Routh Street Cafe. In addition, points out Hart of the Heritage Restaurant, "Rabbit is a very efficient animal with very little waste."

Armburger explains that there are many ways to purchase rabbit, "It is very much like chicken. You can buy the frozen, smaller rabbit known as 'pel frez,' which is a one-sixth rabbit or a larger whole rabbit often raised in Colorado. The saddles are not tough, and, like chicken, you can roll it in flour and fry the white meat for 45 minutes," she says. "Basically, with rabbit it is just like any other meat; its quality depends on how big it is and how old it is. There is, of course, a tough piece of cartilage across the back which you can't eat, and it is time-consuming to cut it out, but it is just like cutting any meat once you become familiar with it. I find the front quarters stringy and usually grind them into pate."

Parton at the Buckhorn Exchange concurs, "We buy them like chickens, split and already cut-up and use the



PAILLARD OF RABBIT

Serves 4

Ingredients:

The paillard

8 lean pieces of rabbit loin trimmed of all gristle and outer membranes, about 1¼ lbs.
Salt to taste if desired
Freshly ground pepper to taste
2 Tbsp. melted butter

The sauce

2 Tbsp. butter at room temperature
1 Tbsp. Dijon-style mustard
1 Tbsp. finely chopped parsley
1 tspn. Worcestershire sauce
2 tspn. lemon juice
Salt to taste if desired
Freshly ground pepper to taste

Method:

1. Put each piece of rabbit on a flat surface and pound without breaking the tissue to a thickness of about ¼ inch or slightly less. Sprinkle on both sides with salt and pepper.
2. Brush the slices on both sides with melted butter.
3. Heat a skillet (preferably a black skillet) until it starts to smoke. Add the rabbit pieces, 2 or 3 at a time, and cook on one side over medium-high heat about 45 seconds. Turn and cook on the other side about 45 seconds. As the meat cooks, run a spatula or pancake turner under the pieces to prevent sticking. If you prefer, the rabbit pieces could be cooked on a charcoal grill.
4. To prepare the sauce, combine the butter, mustard, parsley, Worcestershire sauce, lemon juice, salt and pepper in a mixing bowl and beat to blend with a wire whisk. Brush this sauce over the cooked rabbit meat and serve immediately on very hot plates.

—Courtesy of Craig Claiborne, copyright © 1986 by The New York Times Company; reprinted by permission.

Calories, fat content of various meats[1]

	Calories	Fat total grams
Chicken	239	14
Turkey	172	6
Beef[2]	349	27
Veal loin	232	13
Lamb leg	278	19
Rabbit	216	10

[1] Per 3½ ounce cooked, edible portion

[2] Composite value—all grades

Sources: USDA

HASENPFEFFER

Serves 6

Ingredients:

1½ cups cider vinegar
1½ cups cold water
½ cup sugar
3 bay leaves
2 tspn. salt
1 tspn. whole cloves
¼ tspn. black pepper
⅛ tspn. allspice
1 medium onion, sliced
3 lbs. rabbit, skinned and cut up
½ cup flour
Butter or shortening
Cornstarch or arrowroot

Method:

1. Combine the vinegar, water, sugar, spices, seasoning and onion in a large bowl. Add the cut up rabbit. Cover and refrigerate for at least 12 hours, preferably a day or two.
2. Remove the rabbit and drain well. Save the marinade.
3. Dip the rabbit in flour and fry until brown in ¼ inch of hot butter or shortening in a heavy skillet.
4. After browning, place the rabbit in a clean fry pan. Add the marinade. Simmer covered until the rabbit is tender, about one hour.
5. When the rabbit is tender, remove from the pan and thicken the remaining liquid with a paste made of a small amount of cornstarch and water. Serve the sauce over the rabbit.

—Courtesy of Tom Collins,
Collins Backroom Cooking Secrets

rear and front legs. We use some whole rabbit and bone them, and we also make a rabbit sausage." Zuluago uses both his purveyor and a local specialty supplier who raises a larger rabbit—a four or five pounder.

Rabbit industry in infancy

Despite the growth of the market and supply, growth has been primarily impeded by the stigma associated with rabbit, laments Morales of the American Commercial Rabbit Association. "Other forms of meat have a different commercial name than the name of the animal. For example, pork, veal, beef and poultry do not name the pig, cow and chicken. One of the things we are looking at is a commercial name for rabbit to disassociate it psychologically from the furry little bunny," she explains.

Once the stigma is overcome, there are those who believe eventually someone will cash in on the idea for widespread distribution and rabbit production will cease being a cottage industry dominated by local farmers and local processors. "It is just like the shrimp market a number of years back," says Joseph Cioch, head of the Department of Restaurant, Hotel and Institutional Management at Purdue University in Lafayette, IN.

In fact, some experts argue that rabbit meat is now in about the same position as chicken broilers were back in the 1930s. "It used to be that restaurants could only serve fried chicken from April to August. That was the only time there were young chickens available. Then, in Delaware in 1936, chickens began to be grown strictly for broiler meat," observes Dr. William Stadelman, professor emeritus in the Department of Food Science at Purdue University.

Rabbits have not yet begun to compete with broilers because rabbit meat production is very labor-intensive, production is widely dispersed in many small units and mechanized processing equipment is not available. "The largest rabbit production unit I have heard about has only about 1,000 does (females). Most units have less than 25 breeding does. Compare this with the chicken industry where a standard broiler house will, depending on the size, house anywhere from 20,000 to 70,000 broilers," Stadelman explains. Moreover, there is a rather high mortality rate in rabbit growing, and, as a minor food-producing species, the pharmaceutical houses are not developing medication for rabbit diseases. Finally, there are very few federally inspected rabbit-processing plants in the United States. "There is a distinct disadvantage for smaller plants that may want to process rabbit. They must pay for their own federal inspector, increasing the price of the product," notes Margaret Morales.

On the positive side, one significant advantage rabbit has over other meat products is that it can be grown on feeds not competing with human foods, unlike poultry and swine. Also, rabbits have an advantage over cows and sheep in that they can be grown in close proximity to humans.

Fast food rabbit?

Although the only known attempt at a fast food rabbit failed, the problem was not the product, says Dr. Joseph Cioch of Purdue University. "Three or four years ago, Hop Scotch FastFood in Lafayette, IN, was doing so well, they were serving 1,000 people a day," recalls Cioch.

The breaded white meat came with french fries, cole slaw and soda. The product had no gamey taste. It was very similar to fast food fried chicken and was being sold for 99 cents a piece.

Unfortunately, however, the operation ran into some legal problems with its rabbit suppliers, who complained to the Securities and Exchange Commission. "Consequently, Hop Scotch went out of business," surmises Cioch. But he is quick to add that the operation had some other shortcomings as well: uninviting decor, limited seating and poorly planned kitchen facilities for the high volume of business that the concept generated.

Cioch still believes Hop Scotch was a great idea and says the owner received hundreds of fan letters. "I have yet to find anyone willing to try it on a large scale, however. In fact, I have had some of the larger companies explain that if they put it on the menu, it would be difficult to find suppliers who could produce enough rabbit. But I have a feeling someone smart will pick up on the idea sooner or later," he concludes. ☐

Viewpoint

by Harris H. "Bud" Rusitzky

Six percent of the population, or roughly 13 million people, is now hearing-impaired. You can make these individuals feel welcome in your restaurant by training your staff to treat them with consideration. Once they feel comfortable, they will become your regular customers.

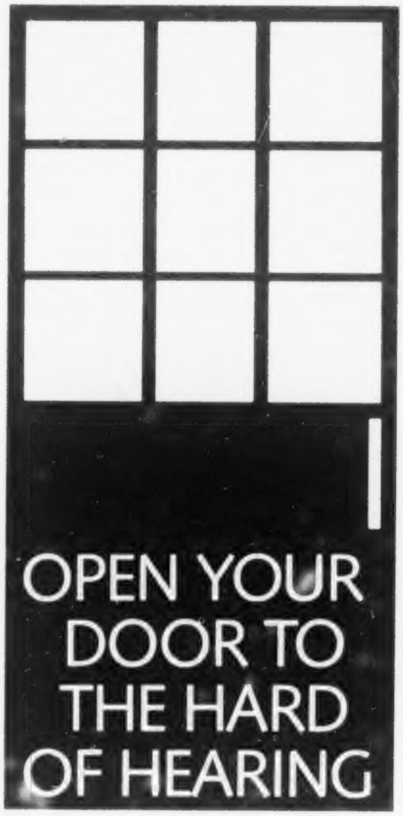
Hearing impairments affect individuals of all ages, and they can occur at any time from birth through old age. The degree of loss can range from mild to severe. Of the 13 million Americans who are hearing-impaired, only two million are considered deaf. The rest have less severe hearing losses. I have a hearing loss, and I have learned to work around it. Before I go to a restaurant, I try to preplan my visit. I ask for a quiet corner or a table where the background noise is minimized and where the lights are bright. Once inside the restaurant, I try to seat myself so that my better ear is closer to the person with whom I am going to converse.

You, as an operator, can do this type of preplanning for your hearing-impaired customers. By training your employees to anticipate the needs of patrons with hearing loss, they will not be flustered when they have a customer who cannot hear. If they are willing and ready to serve, the customer will feel more comfortable as well. Hearing-impaired persons are keen observers of facial expressions, body language and behavior. They can easily identify a person who is impatient, angry or disinterested. That is why it is a good idea to develop a policy for dealing with hearing-impaired and other handicapped individuals.

Here are some pointers you may want to keep in mind to help your staff communicate with the hard of hearing.

Harris H. "Bud" Rusitzky, president of Serv-Rite Foodservice in Pittsford, NY, is on the Board of Directors of the National Restaurant Association. At the last Board meeting, he was nominated to become the association's next treasurer. In 1986, he represented the association at the International Federation of the Hard of Hearing Conference at the Rochester Institute of Technology in Rochester, NY.

☐ Servers should be seen clearly by hearing-impaired customers. They should avoid standing in front of a light source, such as a window or bright light, because this puts the speaker's face in shadows, making lipreading difficult if not impossible. You may want to designate some tables for the hard of hearing to eliminate this situation.


OPEN YOUR DOOR TO THE HARD OF HEARING

☐ Make sure your staff gets the hearing-impaired customer's attention before speaking. A tap on the shoulder or some visual signal works well as long as it does not startle the customer.

☐ Your staff should look directly at the hearing-impaired customer while speaking. Even a slight turn of the head can obscure vision, making speechreading more difficult. Moreover, eye contact establishes a feeling of direct communication.

☐ Your staff should speak clearly and slowly to hearing-impaired individuals, enunciating each word, but they should not exaggerate or shout. Exaggeration distorts lip movement, making speechreading more difficult. Short sentences are easier to understand than long sentences.

Sometimes it may be necessary to communicate with hearing-impaired patrons in writing, and your staff should have a paper and pencil handy for this purpose. They should ask hearing-impaired customers if they would like to make their intentions known in writing. Many, in fact, prefer to do so in restaurants.

☐ Servers should doublecheck orders to make sure they have been understood, especially if the order is from the specialty portion of your menu. Encourage servers to ask questions if clarification is needed. On one recent restaurant visit to a quickservice establishment, a deaf customer ordered a hot fudge sundae and ended up with a hot fish sandwich. Questions can help minimize such embarrassing substitutions.

☐ When something is misunderstood, encourage your staff to rephrase a thought rather than repeat the sentence exactly. Sometimes, particular combinations of lip movements are very difficult to speechread. Rephrasing the sentence often sidesteps this difficulty.

☐ Remind your staff that facial expressions, gestures and body movements help to communicate ideas.

☐ No one should speak directly into the ear of a hearing impaired individual.

☐ The patron should always be addressed directly, even if someone may be serving as an interpreter. The hearing-impaired individual will know when to ask for help.

Such simple steps could help your staff open a large door of opportunity for your operation. If hard-of-hearing individuals find that your restaurant makes them comfortable, you can be sure they will frequent it.

Ways to accommoda elderly patrons

Awareness of the physiological changes that accompany aging will help restaurateurs woo the elderly market, which represents 12 percent of the population.

According to the Bureau of the Census, households headed by individuals 65 years old and older have the most discretionary income per capita of any age group. Yet, these consumers are not spending their money in restaurants. In fact, they eat only 1.8 restaurant meals a week, compared to the 3.7 meals per week eaten away from home by the general population.

As a restaurateur, you may want to woo this market, which represents almost 12.0 percent of the population. To do so, you should be aware of the physiological changes that accompany aging. Some of these changes influence food preferences and often dictate nutritional needs.

Sensory function diminishes

Taste, vision, smell and hearing are crucial to the enjoyment of food, but, after age 65, sensory perception begins to decline. For example, visual ability to adapt from bright to dim light diminishes. That is why senior citizens are often reluctant to dine in dimly lit restaurants or ones where the menu is hard to read. Be sure that the type for your menu is large (no smaller than 12 points) and clear (use script and exotic typefaces sparingly). Very dark colors, such as black, brown, blue or green, are easier to read than light colors, such as pink, yellow or lavender. Reversed type (white on black background) can be hard to read.

Because hearing ability diminishes with age, older din-

Health and nutrition attitudes of elderly consumers

Elderly patrons are more concerned about dietary restrictions than is the general population

	Percent who strongly agree	
	65 years and older	**Total adults**
Eating a lot of fresh fruits and vegetables is important to you	80%	71%
It's important to eat three well-balanced meals each day	64	53
You are often concerned about your health	59	58
Your favorite type of restaurant is one where everything is made from scratch	59	47
Restaurants ought to offer different-size portions for different-size appetites	55	58
You prefer broiled to fried foods	52	52
You prefer restaurants that feature salad bars	46	63
You wish more restaurants in your area offered food for people on restricted diets	44	38
You wish more restaurants in your area offered menu items cooked without salt	40	34
You make a point of ordering foods that are nutritious when eating out	35	29
You look for low-fat foods when you eat out	30	21
When eating out for a special occasion, you are less concerned about the nutritional value of the food you eat	26	30
There is no difference in taste between fresh and frozen foods served in restaurants	14	6

Source: National Restaurant Association, *Consumer Nutrition Concerns and Restaurant Choices, Vol. II*, 1986 ers may shun a noisy dining area that can make it difficult to follow a conversation. Taste and smell acuity also decline with age as do the actual number of functioning taste buds. As a result, older patrons may want foods with more pronounced flavors or more highly seasoned foods than do younger customers.

Dental function deteriorates

Periodontal disease, characterized by slow deterioration of the jawbone and inflammation of the gums and other dental tissues, is prevalent in people over 35 years of age. Periodontal disease eventually results in the loosening and loss of teeth. In fact, most people 70 years of age and older have lost some or all of their teeth. The continuing deterioration of the jawbone makes the proper fitting of dentures a constant challenge. Because inadequately chewed foods tend to cause digestive discomfort, victims of periodontal disease and those with ill-fitting dentures tend to prefer soft foods. Food need not be pureed or ground, however. Souffles, main-dish crepes, chili, pot pies, fish, hearty soups and pasta dishes are a few examples of appropriate items.

Delays in digestion and absorption

Many older people complain that certain foods no longer "agree" with them. There are a couple of reasons for this. As we age, lean body tissue (muscle) is replaced by fat and connective tissue. It is estimated that by 80 years of age only half of the muscle cells remain. The stomach and intestinal muscles do not escape this transformation, and, consequently, food moves through at a slower rate, causing distention and constipation. Further delays in digestion and absorption are caused by a reduced rate of blood flow. Older people also produce less digestive juices, especially the juices that target fat, which is why many elderly individuals avoid fried or fatty foods. Adequate intake of both fluids and fiber can help alleviate these symptoms.

Moreover, caloric requirements gradually decrease during adulthood as a result of a slower metabolic rate, which decreases by about two percent per decade. Decreased physical activity compounds the problem. The caloric requirements of people between 51 and 75 years of age are about 90 percent of those for a young adult; for those over 75 years of age, caloric requirements drop to 75 to 80 percent of optimum levels. This explains why, as a group, older patrons may seem to be disproportionately aware of or concerned about "fattening" dishes.

Foods and beverages elderly patrons are likely to try in restaurants

Low-fat items are more popular with the elderly than with the general population

	Percent who are very likely to try	
	65 years and older	**Total adults**
Fresh fruit	67%	78%
Whole wheat bread, rolls, crackers	65	60
Lean meats	64	64
Steak or roast beef	55	58
Broiled/baked fish or seafood	54	63
Poultry without skin	53	47
Cereal with skim or low-fat milk	44	33
Low-fat cottage cheese	40	33
Raw vegetable appetizer	40	45
Food cooked without salt	39	36
Whole grain muffins	37	41
Caffeine-free coffee	36	28
Fried chicken	33	32
Vegetables seasoned only with herbs and lemon juice	32	36
Fried fish or seafood	29	34
Premium ice cream	28	28
Low-fat, low-calorie, fruit-based desserts	24	25
Reduced-calorie salad dressing	23	29
Whole grain pancakes/waffles	23	30
Caffeine-free soft drinks	22	30
Sugar substitute	22	25
Fruit ice/sorbet	21	22
Regular soft drink	20	35
Diet soft drink	16	30
Bagel/bread with low-fat cream cheese	16	24
Calorie-controlled entree	16	20
Rich, gooey or chocolate dessert	13	22
Low-cholesterol egg substitute	6	9

Source: National Restaurant Association, *Consumer Nutrition Concerns and Restaurant Choices, Vol. II,* 1986

Other factors

An increased incidence of chronic diseases accompanies aging. People over 65 years of age experience the highest rate of heart disease, hypertension, arthritis and diabetes, and the treatment of most of these diseases involves diet therapy. Compared to younger patrons, older customers are more likely to have dietary restrictions, which means they are likely to make requests for special foods or preparation techniques. You may want to consider accommodating requests for variations in food preparation, such as cooking without salt or broiling rather than frying. A note on the menu that alerts elderly patrons to your receptivity could eliminate embarrassment or awkwardness on the part of patrons.

Elderly patrons represent the largest group of prescription drug users in the country. In some cases, multiple drugs are prescribed for various conditions. Some drugs influence appetite or alter taste perception. Distorted taste may cause some older patrons to complain about or refuse perfectly good food. Training your waitstaff to understand the characteristics of the elderly will help stimulate more sympathetic service.

—Claire Regan, R.D.

Fisher's Law #82

How *secure* is the boss?

The concept of "authority" in organizations has received considerable attention in both management literature and academic circles. One concept of authority, for example, states that the basis of authority lies within the subordinate(s), not management, because it is granted (therefore, possessed) by subordinates. If subordinates do not grant authority to management, then management does not have it since subordinates will not undertake what management directs.

If one accepts this concept of authority, which has some merit, then one may wonder how *secure* management is if the authority it possesses is *controlled* by the subordinates. Here are some key indicators that can provide insight into the question.

1. When you are away, chaos occurs. When you are away from your responsibilities for whatever period of time, for whatever reason (vacation, convention, etc.), if the place is in an absolute uproar when you return, you are probably very secure in your position. Obviously, if your absence causes pandemonium among your employees, you must be the stabilizing influence when you are around. In fact, the greater the chaos, it can be argued, the more secure you are in your position of authority.

2. You are nervous about going to different areas within the organization. Some managers, when they venture forth to less familiar areas of the organization, become a little anxious and uneasy since the surroundings are not all that familiar to them. Subordinates working in those areas give furtive glances and wonder if management is checking up on them, or the grapevine goes into motion with the warning that "The boss is coming." The more surprised your employees are to see you, the stronger must be your authority base.

3. Subordinates duck you rather than greet you. If your employees smile, wave or give you a warm greeting when they cross paths with you, you could be in trouble. That's what people do with friends. If they are signaling they consider you to be a friend, your authority base is likely to be eroding rapidly. If, on the other hand, you notice that your employees avoid you, do not make eye contact with you, do not sit near you in meetings, drop their heads without speaking, etc., that's all that you could hope for. You know your authority base is strong and secure because the sullen, withdrawn, non-communicative behavior of subordinates is ample evidence of their deference to you as the boss.

4. No one comes to you voluntarily; you always have to send for them. Sometimes, subordinates take an aggressive role and request to meet with their organizational superior. Sometimes, the request is formal (arranged through a secretary), and, sometimes, it's informal (they hang their head around a door frame and ask, "Do you have a few minutes to discuss something?"). Either circumstance is terrible. Do your employees think that all you have to do is talk with them? Do they think they have the run of the place? If people come to you on their own, voluntarily seeking you out for assistance or advice, you could be on very shaky ground. On the other hand, if people never come to you unless summoned by you, it could mean that you are on very solid ground. Everyone has heard of the "Don't call me, I'll call you" approach to interpersonal relationships. This is very businesslike, very authoritative. It shows them "who's boss."

5. Your comments and suggestions are regarded as orders. Subordinates listen carefully to persons in authority to hear what is said and what isn't said. Therefore, if whatever verbal remarks you make, no matter how casual, are taken as orders by your employees, then you can be sure you have a solid authority base. After all, that means they will jump even if you are just clearing your throat. If, on the other hand, your remarks are taken to be merely a contribution to the discussion (not a command), your employees could think that you are not a quick, firm, omniscient decision maker, and that could cause the sowing of seeds of disillusionment.

6. You frequently overrule employee decisions. Probably nothing else is as good for cementing the authority relationship you have with your employees than to overturn their decisions and undermine their authority. Even when you are at lunch or dinner with your employees, tell the server to disregard their orders and bring them what you want them to eat. If subordinates make too many decisions on their own, they might get the idea that they are pretty good at it, and that could mean curtains for you.

7. When you enter a meeting being conducted by a subordinate, there is an immediate hush, and all eyes turn to you. You are really secure when this happens because it means that everyone is looking to you for the answer. If the meeting continued uninterrupted, that would mean that you were being ignored. If you let your employees get away with such behavior, it could happen more and more frequently, and, over a period of time, your employees could become oblivious to you. Therefore, immediately take over any meeting you enter, irrespective of its stage of progress. Everyone will be sure to appreciate it.

Fisher's Law #82: ***If you take the foregoing advice, you will never have to worry about having authority again.***

Association testifies on FICA issue

"The FICA tax is a payroll tax, and tips are not part of the payroll," argued Michael Grisanti, the association's Vice President, before the House Ways and Means Subcommittee on Social Security.

National Restaurant Association Vice President Michael Grisanti testified against a Reagan administration proposal requiring employers to pay FICA taxes on tips. Speaking before the House Ways & Means Subcommittee on Social Security on March 5, 1987, he said that the proposed change would cost restaurateurs millions of dollars each year.

In his own operation, based in Louisville, KY, he estimated the change would come to $131,000 a year.

Using projections provided by the association's research department, Grisanti testified that a restaurant with annual sales of $1 million and average employee tips of $3.70 an hour could expect to see employer FICA costs increase by 71 percent.

"A study conducted last year showed that this type of restaurant reports pretax net income of 4.9 percent," Grisanti said. "If the administration's proposal took effect, this pretax net income would decline by 9 percent."

Under current law, employers must pay FICA taxes on all wages and on any tips used to satisfy the minimum wage. Employers are not liable for FICA taxes on tip income above the minimum wage. The President's proposal would make *all* tip income subject to employer FICA taxes.

"The FICA tax is a payroll tax, and tips are not part of the payroll," Grisanti argued. "Tips given to a server by a restaurant guest, a transaction over which the employer has no control, simply are not wages. To hold an employer responsible for paying FICA, a payroll tax, on nonpayroll income would be a significant change in tax policy."

Grisanti called the President's proposed tax increase "an accounting 'sleight of hand' that purports to bring down the federal debt but only hurts the restaurant industry." As Grisanti pointed out, the money raised by this tax increase would go to the already solvent Social Security Trust Fund and could not be used to pay for other federal programs.

Grisanti also argued that the proposal would have the greatest repercussions on small restaurateurs, who would be least able to afford it. "Nearly 93 percent of foodservice establishments that employ tipped workers have annual sales volumes below $1 million," he said. "This sales volume hardly constitutes a major operation. Yet, it is in this segment of the foodservice industry that our tipped employees are concentrated, and it is this segment which would be most affected by the administration's proposal."

Grisanti said burdening America's small restaurateurs with such a tax increase would be "unjustified and unwise."

Douglass Fontaine, owner of the LaFont Inn, Pascagoula, MS, also testified against the President's proposal. He represented the American Hotel & Motel Association and is also an exchange director of the National Restaurant Association. Fontaine said the proposal would cost the lodging industry $80 million a year.

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Seafood orders drop; quickservice hit hardest

Although consumer consumption of fish and shellfish continues to climb, restaurant orders for seafood were down between 1982 and 1986 in most types of establishments. Non-fried fish orders, however, showed gains in all segments.

Despite an overall 20-percent increase in per capita consumption of seafood in the past four years, CREST survey data indicate orders for fish entrees at restaurants were down slightly from 1982 to 1986.

Orders of seafood entrees down

Two indicators, number of orders and share of orders (percent of occasions on which an item is ordered), show decreases in seafood consumption. According to CREST data, the number of eater occasions on which fish and shellfish entrees were ordered at all restaurants fell 2.3 percent between 1982 and 1986. (In 1986, orders were below 1982 levels, but they were up from the number recorded in 1985.)

The largest percent decrease in fish entree orders occurred in the quickservice restaurant category, which registered a drop of 5.4 percent. At the same time, however, orders of fried fish sandwiches at quickservice restaurants increased almost 14.0 percent.

The number of fish and shellfish orders at midscale and upscale restaurants fell 3.3 and 1.5 percent, respectively, from 1982 to 1986. A turnaround may be beginning at midscale restaurants, however, since seafood's share of total orders increased significantly in 1986 after three consecutive years of little or no growth at these establishments.

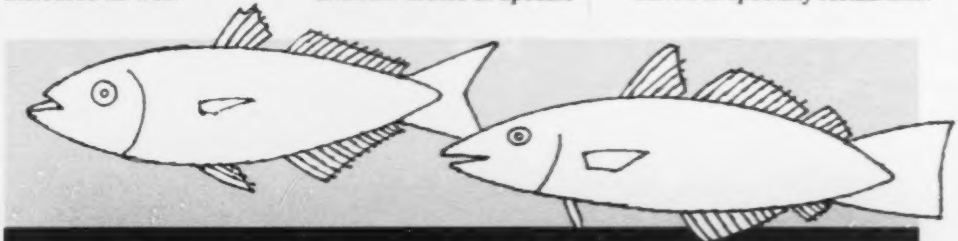
Several types of midscale restaurants recorded gains in seafood's share of total orders between 1982 and 1986. The largest share gains occurred among family steak houses, family-style restaurants and cafeterias. For family-style and family steak operations, seafood orders increased as well.

Declines in share size at midscale restaurants were concentrated within the specialty restaurant category. The share of total orders for fish and shellfish dropped more than three percentage points at Asian restaurants and more than one percentage point at Italian restaurants. Decreases also occurred at fish houses and sandwich shops.

As with share data, the number of seafood orders fell in the specialty and varied menu categories. Varied menu restaurants saw their seafood orders plummet more than 9 percent between 1982 and 1986. This drop, combined with the smaller decrease at specialty eateries, fueled the decrease in total midscale fish and shellfish orders.

The decrease in fish and shellfish orders at upscale restaurants was due to large declines at varied menu restaurants. Orders at these establishments fell more than nine percent between 1982 and 1986. In contrast, orders for seafood dishes at specialty restaurants and hotels increased during this time. Seafood orders at hotels increased a hefty eight percent. Within the specialty restaurant category, a large increase in seafood orders was registered at Italian restaurants.

The decline in the number of seafood orders at upscale varied menu restaurants was not matched by a declining share of total orders. In fact, at varied menu restaurants, the share of total orders attributed to seafood entrees rose from 20.6 percent in 1982 to 22.1 percent in 1986. An increase in share also occurred at specialty restaurants.



Per person consumption of fish and shellfish[1] in the United States

Americans continue to eat more seafood

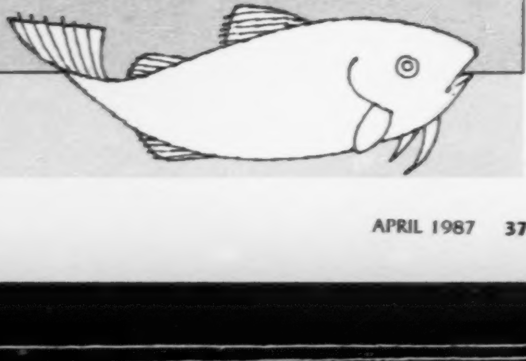
	Total fish/ shellfish	Fresh/ frozen	Canned	Cured
1970	11.8	6.9	4.5	0.4
1975	12.2	7.5	4.3	0.4
1980	12.8	8.0	4.5	0.3
1981	12.9	7.8	4.8	0.3
1982	12.3	7.7	4.3	0.3
1983	13.1	8.0	4.8	0.3
1984	13.7	8.5	4.9	0.3
1985	14.5	9.0	5.2	0.3
1986[2]	15.0	N/A[3]	N/A	N/A

[1] Pounds, edible meat

[2] Estimated by National Fisheries Institute

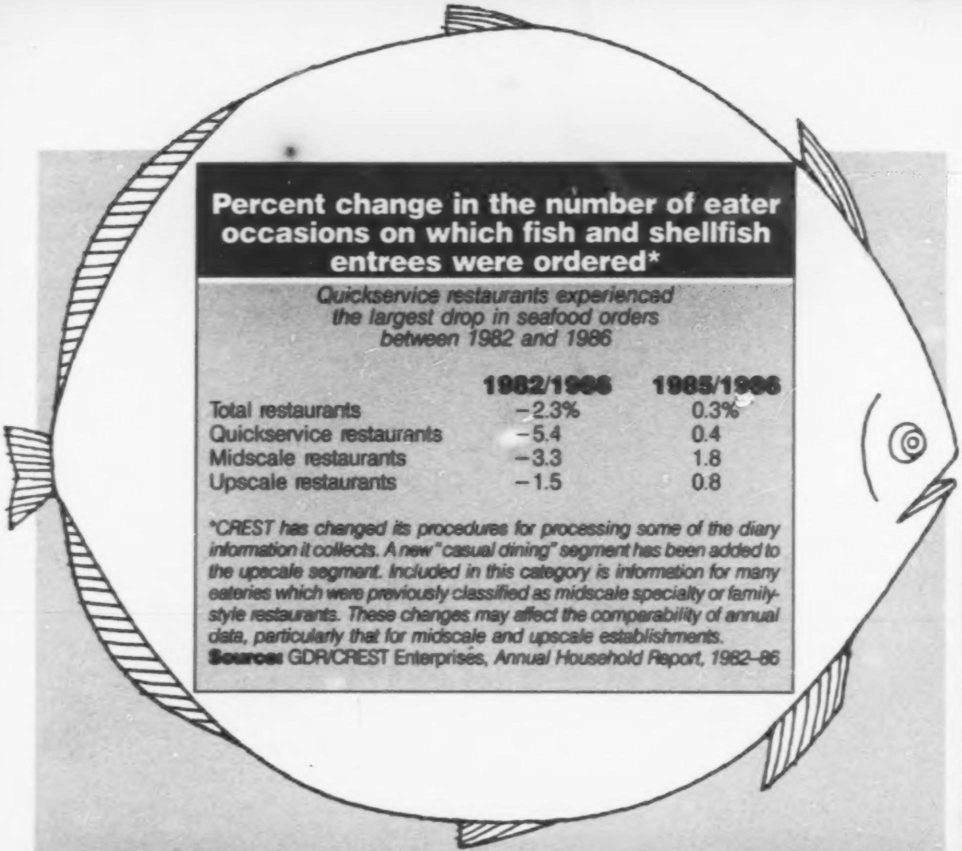
[3] Not available

Source: National Marine Fisheries Service



Non-fried fish entrees making gains

While total seafood orders may have declined since 1982, non-fried fish orders have significantly increased. The growth in the non-fried fish category reflects growing consumer concerns over nutrition. According to the National Restaurant Association's *Consumer Nutrition Concerns and Restaurant*



Percent change in the number of eater occasions on which fish and shellfish entrees were ordered*

Quickservice restaurants experienced the largest drop in seafood orders between 1982 and 1986

	1982/1986	1985/1986
Total restaurants	−2.3%	0.3%
Quickservice restaurants	−5.4	0.4
Midscale restaurants	−3.3	1.8
Upscale restaurants	−1.5	0.8

**CREST has changed its procedures for processing some of the diary information it collects. A new "casual dining" segment has been added to the upscale segment. Included in this category is information for many eateries which were previously classified as midscale specialty or family-style restaurants. These changes may affect the comparability of annual data, particularly that for midscale and upscale establishments.*

Source: GDR/CREST Enterprises, *Annual Household Report, 1982–86*

Percent of eater occasions on which fish was eaten in restaurants*

Non-fried fish is making gains in all segments

	1982	1984	1986
Fried fish			
All restaurants	2.8%	2.6%	2.4%
Quickservice restaurants	2.2	1.9	1.8
Midscale restaurants	3.7	3.9	3.8
Upscale restaurants	3.9	3.4	3.4
Non-fried fish[1]			
All restaurants	1.0%	1.3%	1.4%
Quickservice restaurants	0.2	0.2	0.2
Midscale restaurants	1.6	2.1	2.5
Upscale restaurants	5.3	7.1	8.0
Fried shellfish			
All restaurants	N/A[2]	1.0%	1.0%
Quickservice restaurants	N/A	0.4	0.3
Midscale restaurants	N/A	1.7	2.0
Upscale restaurants	N/A	3.4	3.4
Non-fried shellfish[3]			
All restaurants	N/A	1.1%	1.0%
Quickservice restaurants	N/A	0.2	0.2
Midscale restaurants	N/A	1.3	1.3
Upscale restaurants	N/A	8.0	7.8

**CREST has changed its procedures for processing some of the diary information it collects. A new "casual dining" segment has been added to the upscale segment. Included in this category is information for many eateries which were previously classified as midscale specialty or family-style restaurants. These changes may affect the comparability of annual data, particularly that for midscale and upscale establishments.*

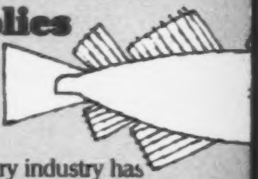
[1] Includes broiled, baked and grilled fish

[2] Not available

[3] Includes broiled, baked, grilled, boiled, steamed and raw shellfish

Source: GDR/CREST Enterprises, *Annual Household Report, 1982–1986*

Keeping up with dwindling seafood supplies



The fishery industry has been attempting to increase the limited supply of seafood. Between 1983 and 1986, producer prices for fresh and frozen seafood rose 19 percent, a greater increase than occurred for beef, whole broilers or pork. Some in the industry fear that seafood may be pricing itself out of the marketplace, and this may have already occurred to some extent.

One way the supply of fish has been increased is by introducing new species, both domestic and foreign caught. As a species is harvested to its maximum level, other species, not utilized in large quantities, are tapped as alternatives. Redfish, from the Gulf of Mexico, is a prime example of an underutilized fish that has caught the public's fancy. Prior to the popularity of Cajun food, redfish was a regional catch. When consumer demand for blackened redfish grew, however, fishermen soon began hauling in the Cajun specialty in large numbers, too large ac-

Choices, 63 percent of adult consumers would be likely to try baked or broiled fish at a restaurant. Of those identified as health-conscious, 78 percent would be likely to try broiled or baked fish.

CREST data show that non-fried fish orders increased from 1.0 percent of total orders in 1982 to 1.4 percent in 1986. The growth of non-fried fish orders during this five-year period is even more apparent at midscale and upscale restaurants, increasing from 1.6 to 2.5 percent and 5.3 to 8.0 percent of all orders, respectively. Reinforcing the notion that fish dishes are successfully competing with beef, between 1982 and 1986 nonfried fish orders grew from 3.1 to 6.2 percent of total orders at upscale steak restaurants and from 1.1 to 1.7 percent at midscale family steak houses.

Other significant increases in the share of non-fried fish orders among midscale restaurants were recorded in family-style establishments, hotels, cafeterias and varied menu operations. No change in share occurred for nonfried fish in the specialty restaurant category. In the upscale restaurant segment, non-fried fish entrees advanced strongly in the hotel, specialty restaurant and varied menu categories.

The share of orders for non-fried fish tends to rise with the check size at restaurants. In 1986, non-fried fish entrees accounted for 0.2 percent of orders at quickservice restaurants, 2.5 percent at midscale restaurants and

cording to some. In fact, to increase a diminished population level recent Commerce Department regulations ban commercial redfish fishing in federal waters in the Gulf of Mexico.

Fish farming adds to supply

The other method of increasing supply is through aquaculture or fish farming. Fish grown in farms account for 10 to 15 percent of the total domestic supply, and this percentage is likely to increase.

Fish farming is used for a wide assortment of fish and shellfish, including rainbow trout, striped bass, catfish, oysters, crawfish and mussels. Almost all commercially sold rainbow trout are grown on farms as are almost all catfish. According to the National Marine Fisheries Service, fish and shellfish produced by domestic farms jumped from 203 million pounds in 1980 to 470 million pounds in 1984. In addition to increasing supply, fish farming can be used to produce improved varieties of fish through scientific advances and crossbreeding. For example, oysters are being genetically altered to make them available year-round; growth hormones are being used to speed the maturation process of fish and even a boneless trout is being developed.

Fish farming is also used to improve quality control. The taste of farm-bred, grainfed catfish is favored by some consumers over that of the bottom-feeding river fish.

Surimi-based seafoods

Surimi, a traditional Japanese processed fish product, has recently made great inroads into the United States seafood market. Consumption has increased from six million pounds in 1980 to more than 100 million pounds in 1986. A further increase is predicted for 1987. The majority of surimi consumed in the United States is imported from Japan, although a growing domestic industry has arisen in the last few years.

Surimi is a seafood product made from skinned and boned whitefish that is minced and washed repeatedly until reduced to an almost odorless, colorless and tasteless paste that is low in calories and high in protein.

In modern production, the minced and washed fish is combined with sugar and sorbitol and then frozen. At processing plants, the uncooked paste is mixed with salt, shellfish flavor extract, starch, egg white and natural and/or artificial coloring. It is then shaped to resemble natural shellfish. Sometimes, pieces of shellfish are added. The surimi-based product is then steam-cooked, frozen and packaged.

Imitation crab is the most popular surimi-based product and has become a lower-priced alternative to crabmeat. In 1985, the wholesale cost of surimi-based seafoods was approximately $2 to $3 per pound while snow crabmeat cost $5 per pound, king crabmeat $16 per pound and blue crabmeat $7 to $12 per pound. Some would argue that surimi allows those who cannot afford more expensive shellfish items to dine on seafood away from home.

Several midscale and fast food establishments currently serve seafood salads using surimi, sometimes including real shellfish as well, with great success. Because surimi-based products are actual fish and look like the seafood they are modified after, consumer acceptance has been high. The National Marine Fisheries Service reported that in 1984 consumption of surimi-based imitation crab nearly equalled that of crab. Surimi is also used to imitate Alaskan king crab legs, shrimp, lobster and scallops as well as other breaded seafood products.

Surimi-based products are not without criticism, however. Similar to unprocessed seafood, they are low in fat and high in protein. But concern has been raised over the production process which adds sugar and sodium. Some of the vitamins and minerals are also washed away, leaving surimi nutritionally inferior to unprocessed seafood.

Nonetheless, menu items made with surimi-based seafood products offer a lower cost and lower fat alternative to patrons. When marketing these items, they should not be misrepresented. The Food and Drug Administration (FDA) regulates the labeling of packaged surimi products for retail sale. Products representing a specific type of natural seafood must be labeled "imitation," such as "imitation crab legs," for instance. But, if an item does not represent a specific seafood or body part, "imitation" is not required. In such a case, an identifier, such as "seafood sticks," would suffice.

Operators can be guided by this regulation. Surimi products are seafood and can be listed on the menu as such—"seafood salad" for instance. But surimi-based imitation crabmeat is not real crab and should not be referred to as "crab" on the menu. Patrons justifiably expect the real thing when they see "crab" listed on the menu.

8.0 percent at upscale restaurants. In the upscale segment, non-fried fish entrees were ordered on 6.9 percent of occasions at moderate-check restaurants and 11.3 percent at higher-check places.

In contrast, fried fish entree orders have decreased, falling from 2.8 percent of total orders in 1982 to 2.4 percent in 1986. However, in several categories in both the upscale and midscale segments, fried fish's share of total orders has increased slightly or remained stable. It should be noted that fried fish orders still outnumber those for non-fried fish at quickservice and midscale restaurants.

Shellfish orders—both fried and nonfried—have generally experienced little change between 1984 and 1986. Fried shellfish orders at midscale restaurants are an exception, increasing from 1.7 percent of total orders in 1984 to 2.0 percent in 1986. The share of total orders held by non-fried shellfish has declined slightly at upscale restaurants.

In sum

Although consumption of fish and shellfish has increased during the 1980s, CREST data indicate that orders at restaurants have declined since 1982. However, not all restaurant categories have experienced declines, and a small increase in orders was recorded in 1986. Between 1982 and 1986, a change has also occurred in the type of fish being ordered at restaurants. Non-fried fish orders have grown significantly, probably due to consumer beliefs about fish's healthful benefits. Menu additions have capitalized on this trend, and the growth for non-fried fish at restaurants appears likely to continue.

—Laurence Greenberg

Breakfast business was sluggish in 1986

Breakfast sales were flat in 1986, and breakfast traffic dropped nearly two percent. Takeout presents the greatest opportunity for a turnaround in breakfast performance.

Changes are brewing at breakfast. The once rather quiet morning meal has been transformed into a heated battleground with operators vying for larger slices of the market. According to CREST* data, breakfast sales and traffic increased 7 percent or better each year between 1982 and 1985. The breakfast market was flat last year, signalling that the days of explosive growth may have come to an end. Thus, the recent battles over market share will only seem like skirmishes compared to what lies ahead.

The slowdown in breakfast business can be attributed to a variety of factors. The proliferation of fast food breakfast menus has helped satisfy pent-up demand for convenient, commercially prepared breakfasts; manufacturers of frozen breakfast items are waging an all-out assault to lure customers back to the kitchen table and higher debt loads may be causing consumers to cut back on early-morning restaurant visits. Whatever the reason, what is clear is that the market is changing.

The smallest meal period

Despite several years of healthy growth, breakfast still remains the smallest meal period. Last year, the morning repast captured 6.5 percent of industry sales and 9.8 percent of total customer traffic. Dinner, on the other hand, captured one-half of all sales and nearly a 40.0-percent share of customer traffic. Lunch garnered about one-third of all restaurant sales in 1986 and 36.0 percent of total traffic. Snacks accounted for the remaining proportions of industry sales and traffic.

Although breakfast accounted for less than 9.0 percent of all quickservice eater occasions in 1986, this segment captured a 54.0-percent share of total industry breakfast traffic. Breakfast items, once rarely seen on the fast food menu boards, have become almost standard in the industry. A slew of "finger foods" that are perfect for quick eating both inside and outside the restaurant have attracted many convenience-conscious consumers to quickservice places in the morning. But, not even these establishments were able to escape the sluggishness that gripped the breakfast market last year. Breakfast sales and traffic within this segment were flat in 1986.

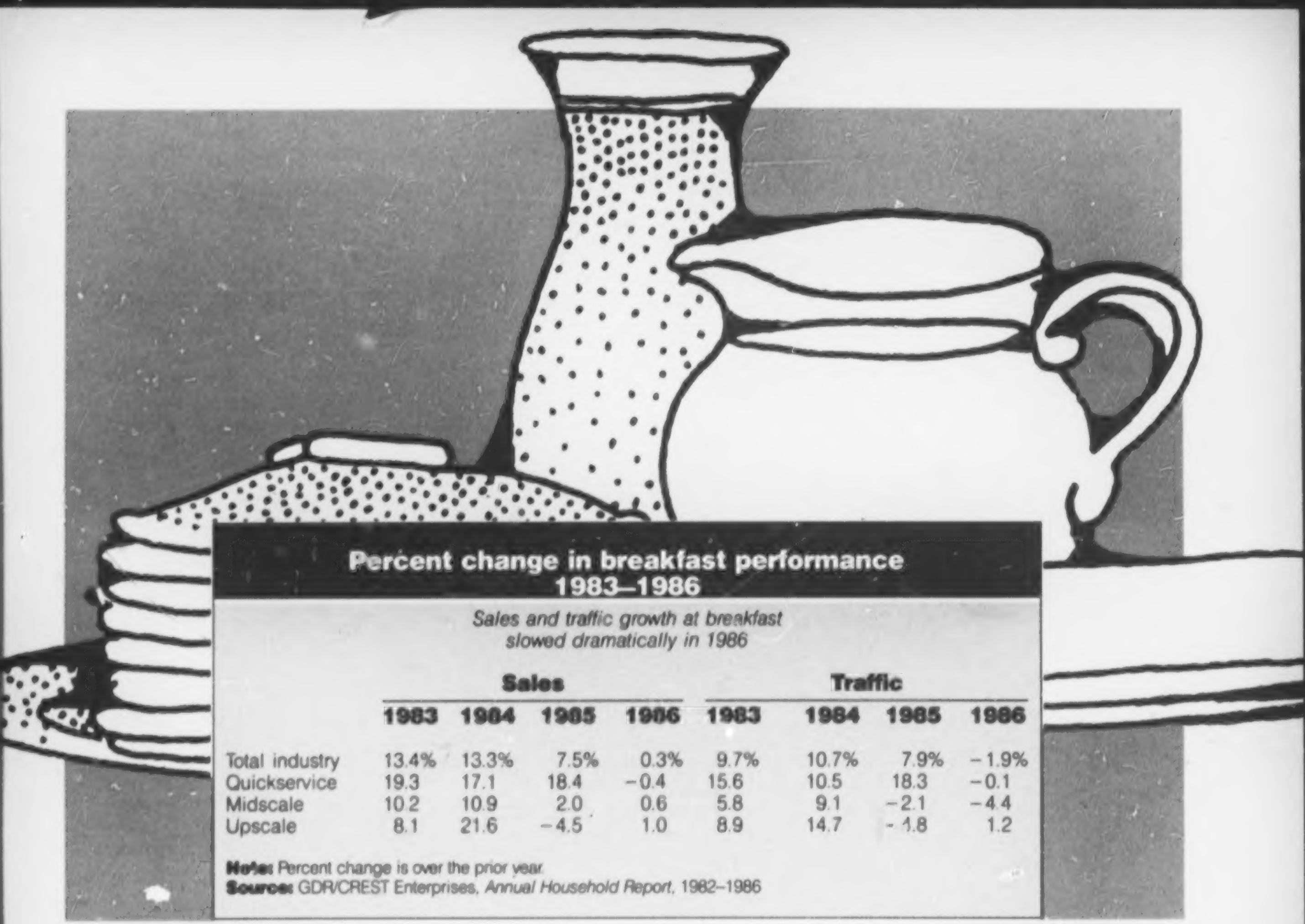
Much of the recent growth of the quickservice segment at breakfast has come at the expense of midscale operators. In 1982, the midscale segment held a 47 percent share of all breakfast traffic, but has seen that erode to 40 percent in four years. Last year, customer counts at breakfast within the midscale segment dropped by more than 4 percent, following a 2-percent decline the previous year.

Expansion of takeout service and increased variety may be two ways for restaurant operators to prevent food manufacturers, particularly frozen food makers, from chipping away at their share of the breakfast market.

It is likely that the operating environment will remain tight for both quickservice and midscale operators. Research conducted by the NPD Group reveals that at-home consumption of breakfast is on the rise for the first time in several years. Moreover, restaurateurs, particularly fast food operators, are facing increased competition from makers of frozen breakfast foods. Unwilling to let restaurateurs be the biggest beneficiaries of the trend toward eating breakfast on the run, producers of frozen foods are introducing and aggressively promoting new and reformulated lines of breakfast items. And, the steady increase in microwave ownership means it is easier than ever to prepare the frozen items. Consumer expenditures on frozen breakfast entrees, as tracked by *Supermarket Business* magazine, reached $334 million in 1985—up 38.0 percent since 1982.

Upscale operators have

**For an explanation of CREST see box on page 42.*



Percent change in breakfast performance 1983–1986

Sales and traffic growth at breakfast slowed dramatically in 1986

	Sales				**Traffic**			
	1983	**1984**	**1985**	**1986**	**1983**	**1984**	**1985**	**1986**
Total industry	13.4%	13.3%	7.5%	0.3%	9.7%	10.7%	7.9%	−1.9%
Quickservice	19.3	17.1	18.4	−0.4	15.6	10.5	18.3	−0.1
Midscale	10.2	10.9	2.0	0.6	5.8	9.1	−2.1	−4.4
Upscale	8.1	21.6	−4.5	1.0	8.9	14.7	-1.8	1.2

Note: Percent change is over the prior year.
Source: GDR/CREST Enterprises, *Annual Household Report*, 1982–1986

Tuesday was the day consumers were least likely to eat out in the morning.

traditionally held the smallest piece of the breakfast market. In 1986, this segment accounted for less than six percent of total industry morning meal traffic. However, it was the only segment to show positive gains last year. Breakfast sales at upscale restaurants edged up one percent, and traffic rose 1.2 percent. While these increases are far from dramatic, they come after a year when this segment's sales and traffic at the morning meal declined by more than 4.0 percent.

The improved performance of the upscale sector at breakfast can be traced to increases in customer counts at upscale hotels. Because hotels account for about one-half of all upscale breakfast traffic, fluctuations in their morning business have a notable influence on the segment's overall performance. In 1985, customer counts at breakfast at upscale hotels declined by nearly 3.0 percent. However, traffic was up by more than 7.0 percent last year. The "power breakfast" may be one reason for the increase in early-morning business at hotels, and it is likely this type of breakfast activity will increase in popularity as more executives conduct business over the morning meal. Furthermore, the smaller price tag at breakfast may make it attractive to companies facing new tax laws, which allow for only 80.0-percent deductibility of business meals.

Orders for decaffeinated coffee rose more than 200 percent between 1982 and 1986.

1986 share of breakfast sales and traffic by restaurant type

Quickservice restaurants had the largest share of total breakfast customer traffic in 1986

	Sales	**Traffic**
Quickservice	37.1%	54.3%
Midscale	52.1	39.7
Upscale	10.6	5.7

Note: Totals may not add to 100 percent due to rounding.
Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

Weekend breakfasts

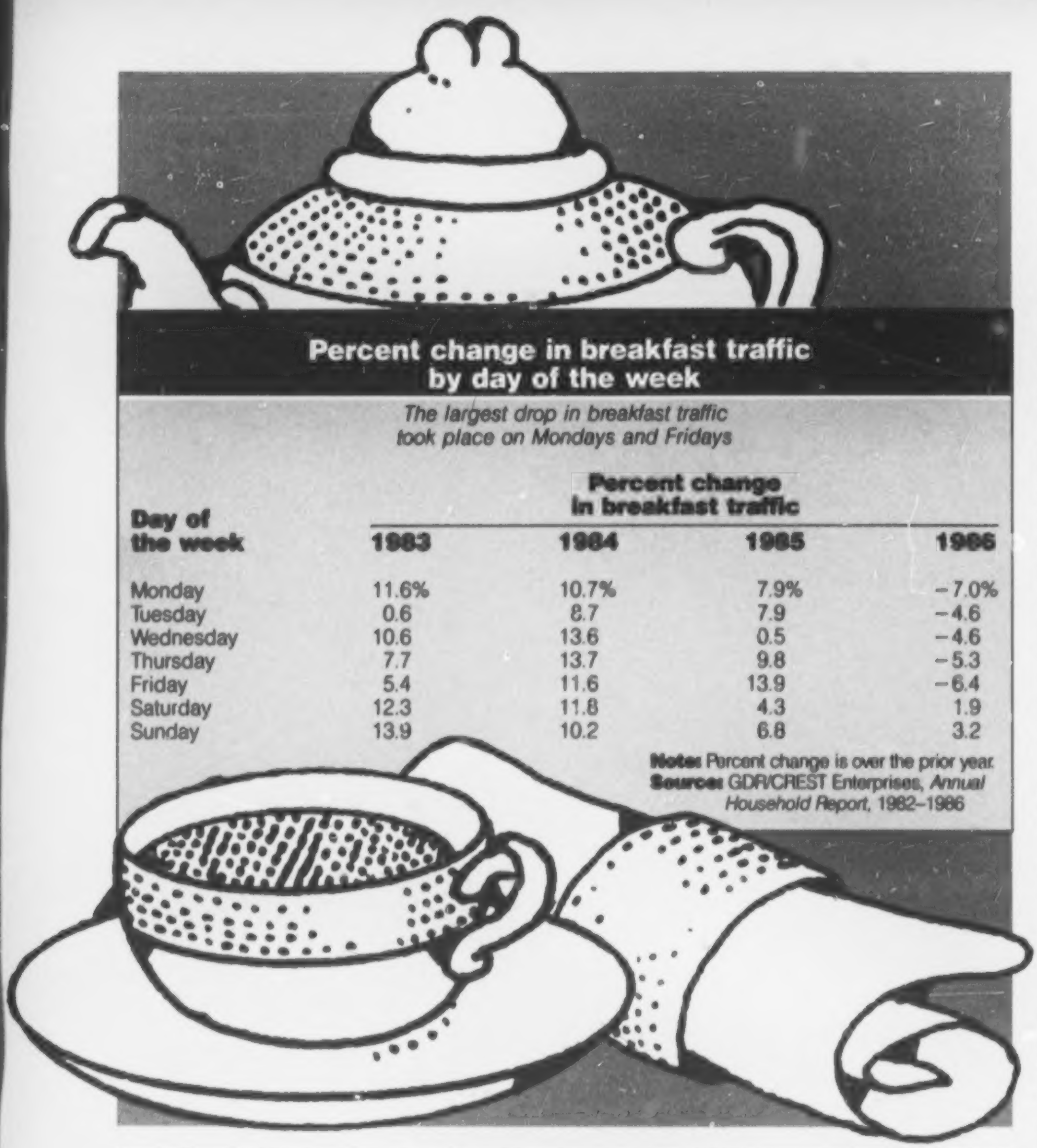
Consumers patronize restaurants for breakfast most often on weekends. Sunday visits just slightly outnumbered Saturday visits in 1986—22.1 versus 21.6 percent. During the week, Friday captured about 13.0 percent of all restaurant breakfast occasions—the number-one spot. Tuesday, on the other hand, was the day consumers were least likely to eat out in the morning.

A portion of the slowdown observed in breakfast traffic last year may be due to consumers opting to either skip breakfast or eat at home during the week. For the first time since 1982, visits to restaurants for breakfast declined on all five weekdays. Mondays and Fridays suffered the steepest drops; breakfast traffic fell 7.0 and 6.4 percent, respectively.

Changing tastes

The emergence of the fast food breakfast and the need for convenient meals have converged to cause some changes in what consumers are purchasing from restaurants in the morning. Anything that can be eaten without silverware has become extremely popular. Breakfast sandwiches, the backbone of the menu at many fast food chains, have posted strong sales. Breakfast sandwich orders increased more than 130 percent between 1982 and 1986. Last year, a breakfast sandwich was ordered on 24 percent of all breakfast occasions, vaulting them into the third position behind coffee and eggs, the most frequently ordered morning menu items. According to CREST, potatoes that are not mashed, baked or french fried, also did well at breakfast. They were selected on 18 percent of all early morning occasions in 1986 and total orders were up 38 percent over 1982.

Another interesting change in consumer consumption patterns at the morning repast is the choice of beverages. Although coffee has retained its number-one position, the share of occasions on which it was ordered declined between 1982 and 1986. Moreover, consumers are drinking more decaffei-



Percent change in breakfast traffic by day of the week

The largest drop in breakfast traffic took place on Mondays and Fridays

Day of the week	Percent change in breakfast traffic 1983	1984	1985	1986
Monday	11.6%	10.7%	7.9%	−7.0%
Tuesday	0.6	8.7	7.9	−4.6
Wednesday	10.6	13.6	0.5	−4.6
Thursday	7.7	13.7	9.8	−5.3
Friday	5.4	11.6	13.9	−6.4
Saturday	12.3	11.8	4.3	1.9
Sunday	13.9	10.2	6.8	3.2

Note: Percent change is over the prior year.
Source: GDR/CREST Enterprises, *Annual Household Report*, 1982–1986

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.

Approximately 10,000 families and 2,800 non-family households representing demographic patterns in the United States have been selected to participate in the study. Each household is asked to record every meal and snack experience during a particular two-week period for each of the four quarters of the year. Detailed entries are required for meals eaten or purchased away from home in establishments such as restaurants, hotels and motels, fast food/drive-in places, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, colleges or other institutional feeding places.

CREST information can help restaurateurs compare their operation's performance with that of the total industry as well as with specific restaurant categories (quickservice, midscale or upscale restaurants).

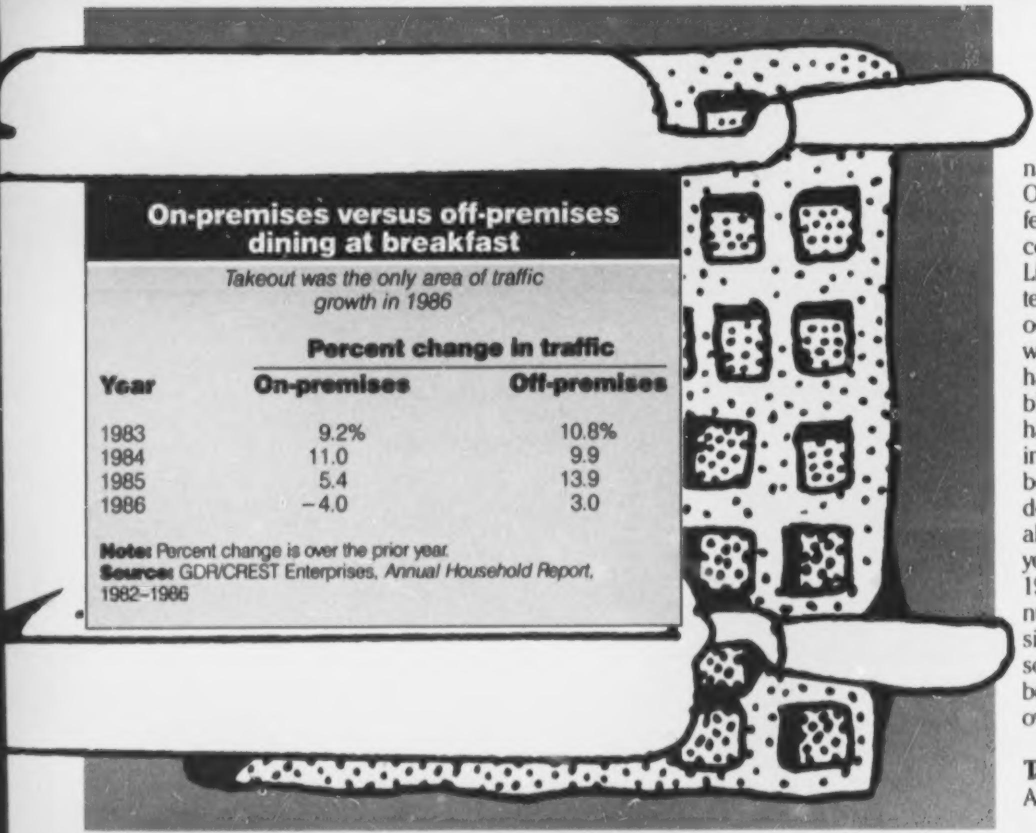
The CREST study can also provide valuable information concerning customer behavior, such as how much people spend. And, because it is an ongoing study, CREST information allows comparison against a standard—an aid in the development of trend analysis.

Readers wishing more information on the CREST study should contact GDR/CREST Enterprises, one of the NPD group of marketing and research companies, 1300 W. Higgins Road, Park Ridge, IL 60068-5798.

nated coffee in the morning. Orders for coffee without caffeine rose more than 200 percent between 1982 and 1986. Like coffee, juices, milk and tea were ordered on fewer occasions in 1986 than they were in 1982. On the other hand, soft drinks, most notably carbonated soft drinks have been working their way into the morning meal. Carbonated soft drinks were ordered on about 6 percent of all breakfast occasions last year versus 4 percent in 1982. Furthermore, the total number of breakfast occasions on which a carbonated soft drink was the chosen beverage rose 71 percent over the five-year period.

Takeout gaining ground

As is true throughout much



On-premises versus off-premises dining at breakfast

Takeout was the only area of traffic growth in 1986

Year	Percent change in traffic: On-premises	Percent change in traffic: Off-premises
1983	9.2%	10.8%
1984	11.0	9.9
1985	5.4	13.9
1986	−4.0	3.0

Note: Percent change is over the prior year.
Source: GDR/CREST Enterprises, *Annual Household Report*, 1982–1986

What consumers are eating at breakfast

1982 versus 1986
Breakfast sandwiches have captured a larger share of breakfast orders

Item	Proportion of breakfast occasions: 1982	Proportion of breakfast occasions: 1986
Coffee	55.9%	53.0%
regular	53.0	46.2
decaffeinated	2.9	6.8
Eggs	35.3	30.1
Breakfast sandwiches	13.1	23.7
Bacon/sausage	25.5	21.4
Other breads	NA*	21.4
Other potatoes	17.1	18.4
Juices	17.4	16.0
Donuts/sweet rolls	16.7	15.6
Waffles/pancakes	14.0	13.2
Milk	8.8	7.5
Carbonated soft drinks	4.2	5.6
Omelet	5.4	4.8
Hot tea	3.0	2.4
Cold cereal	1.5	1.4

*NA: not applicable
Source: GDR/CREST Enterprises, *Annual Household Report*, 1982, 1986

Breakfast highlights

The following is a summary of some additional facts about breakfast found in the 1986 CREST *Annual Household Report.*

☐ Overall breakfast **sales** were flat in 1986, increasing 0.3 percent over 1985.

☐ Overall breakfast **traffic** dropped 1.9 percent over the prior year. Only weekend breakfast business posted growth.

☐ **Quickservice restaurants** captured the largest share of breakfast business.

☐ **Upscale restaurants,** particularly hotels, showed the strongest breakfast performance in 1986.

☐ The **average check size** at breakfast was $2.28 in 1986, up 2.2 percent over the prior year.

☐ **Average party size** was 1.7 last year, unchanged from 1985. Parties of adults only are the most frequent type seen at the morning repast. Last year, three-fourths of all breakfast occasions involved groups of adults without children.

☐ The majority of consumers—58 percent—said they were **at home** prior to eating breakfast in a restaurant in 1986.

☐ The **consumers** most likely to consume a restaurant breakfast are: males, 35 to 64-year-olds, college graduates, members of dual-income households and those with annual household incomes of $40,000 or more.

☐ **Promotions** were used on 10.2 percent of all breakfast occasions in 1986, up 6.7 percent over the previous year.

☐ The **top breakfast sellers** were coffee, eggs and breakfast sandwiches.

of the restaurant industry, the need for convenience is spurring growth of takeout at the morning meal. In fact, off-premises dining provided the only area of growth at breakfast in 1986, as customer counts rose by 3 percent. Takeout accounted for 32 percent of all morning eater occasions last year, up from 28 percent in 1982.

Most off-premises traffic at breakfast is through carryout. More than two-thirds of all breakfast takeout occasions were carryout last year. Drive-thru held the number-two position, capturing 31 percent of all morning takeout traffic. Delivery, as yet, does not play a measurable role at breakfast. Expansion of takeout service and increased variety may be two ways for restaurant operators to prevent food manufacturers, particularly frozen food makers, from chipping away at their share of the breakfast market.

Exploring options

Although restaurants have made significant inroads into the breakfast market, the morning meal is still largely an at-home activity. According to NPD research, more than 20 breakfasts are consumed in the home for every one that is eaten at a restaurant. This reality, coupled with the fact that breakfast growth slowed dramatically last year, signals that competition will likely get even fiercer in the years ahead. However, even in the tight market, there will be opportunity for growth. Takeout is one of the more obvious options for restaurateurs to explore. Offering unique breakfast items, which consumers would be unlikely to prepare at home, and/or catering specifically to the business market may be other areas that could be targeted.

—Kate Conroy

First hourly wage survey

Average chef wage reaches $8.35

Association publishes survey of wages for hourly employees—the first such study in the foodservice industry.

According to the National Restaurant Association's first survey of wages for hourly employees, median wages range from a high of $8.35 for chefs to a low of $2.50, excluding tips, for waiters and waitresses. The survey is the first of its kind in the foodservice industry and is based on responses from 4,038 participant foodservice operators and more than 227,000 hourly employees. Conducted between July and November 1986, the survey focuses on hourly wages for 15 foodservice occupations, from bartender and busperson to salad prep worker and short order cook. The table shows median wages as well as wage ranges for each of the 15 occupations.

Survey results suggest that wages vary substantially from state to state. For instance, the median hourly wage reported for cooks ranged from lows of $3.92 in Iowa, $4.00 in Kansas and $4.05 in Alabama to highs of $6.75 in Massachusetts and New Jersey and $8.65 in the District of Columbia. On a regional basis, the median reported for fast food counter workers ranged from $3.66 in the Mountain states to $4.57 in New England. State-by-state survey results are available by contacting the association's Information Service Department at 311 First Street, N.W., Washington, DC 20001, (202) 638-6100 or (800) 424-5156.

1986 wages rates for hourly employees

Among hourly employees, chefs are the most highly paid

Type of hourly employee	Median hourly wage[1]	Lowest hourly wage paid, median[2]	Highest hourly wage paid, median[3]	Number of employees	Number of respondents
Chef	$8.35	$7.25	$9.00	2,719	1,497
Cook	5.25	4.50	6.25	18,477	3,240
Assistant cook	4.75	4.00	5.00	7,406	1,901
Baker	5.04	4.94	6.00	2,563	798
Short order cook	4.50	4.00	5.00	5,719	917
Salad preparation worker	4.25	4.00	4.83	8,053	1,967
Janitor/porter	4.50	4.00	4.75	4,495	1,561
Host/hostess	4.25	4.00	5.00	10,583	2,338
Waiter/waitress	2.50	2.16	3.00	75,141	3,342
Busperson	3.42	3.35	3.50	18,231	2,532
Cafeteria server	4.25	3.95	4.76	6,395	244
Counter worker (fast food)	3.85	3.35	4.50	32,040	603
Dishwasher	3.75	3.45	4.00	17,641	3,127
Cashier	4.25	4.00	4.85	6,250	1,245
Bartender	4.60	4.00	5.00	111,324	2,255

[1] Median hourly wage is weighted based on average hourly wage reported by each respondent weighted by number of employees. It is possible for weighted medians to fall outside the unweighted low to high range.

[2] Lowest hourly wage paid is median reported by respondents, unweighted by number of employees.

[3] Highest hourly wage paid is median reported by respondents, unweighted by number of employees.

Note: For tipped employees, date represent cash wages, excluding tips.

Source: National Restaurant Association survey conducted July–November, 1986. Data are reflective of survey respondents and are not necessarily representative of the industry. Data should not be considered industry standards.

1 NEW ENGLAND

Location: Rockland, MA
Association member: Wilbur L. Danner
Operation: Butterfield Restaurant
Profile: Fullservice family restaurant
In business: 10 years
Seats: 102
Meals served: Breakfast, lunch, dinner

"Business is great. I can't complain at all," says **Bob Murphy,** general manager of Butterfield. "There aren't many restaurants like ours in the area. We make a lot of our dishes on premises, and that makes a difference to our customers."

Butterfield, located on the south shore of Massachusetts, offers a variety of old-fashioned, family-style dishes. Breakfasts are busy, and, at lunch and dinner, popular specials are rotated on a set schedule. *Yankee Pot Roast,* for example, is offered each Thursday, and Sunday's customers know they will find roast pork or turkey, served with homemade stuffing, gravy and cranberry sauce.

Despite the hearty offerings, many of Murphy's customers manage to save room for homemade pie, which is made by Murphy's mother-in-law, the restaurant's co-owner.

2 MID ATLANTIC

Location: Harrisburg, PA
Association members: Geoffrey Webster, Samuel Ortenzio
Operation: Midtown Cafe
Profile: Subshop and outdoor cafe
In business: 10 years
Seats: 40 indoors; 100 outdoors
Meals served: Lunch, dinner

"Business has been very steady throughout the winter," says **Suzanne Cherry,** manager of the Midtown Cafe. "And when we open our outdoor seating in the spring, things explode."

The cafe, located near the state capitol, primarily serves cold submarine sandwiches and salads. The sub rolls, says Cherry, are outstanding because they are baked daily in a brick oven in nearby Steelton. Because of the restaurant's proximity to the government buildings, the Midtown also does a brisk catering delivery business.

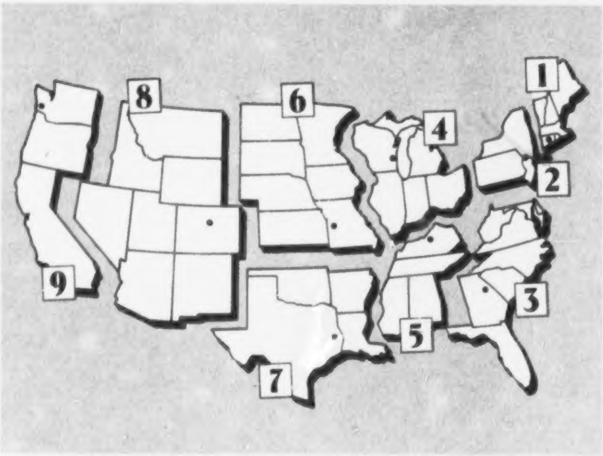
The most popular sandwich at the Midtown is the Italian sub. Other big sellers include Danish ham, breast of turkey and Philadelphia cheesesteak. The cafe serves beer and lots of homemade specialties, too, such as chicken salad, shrimp salad, soups and chili.

The long, narrow cafe is currently in the midst of a major expansion that will raise the total indoor and outdoor seating capacity to 170. The renovation should be finished by the first of May, says Cherry, just in time for the springtime influx.

3 SOUTH ATLANTIC

Location: Batesburg, SC
Association member: W.E. Sanders
Operation: Bates Inn
Profile: White tablecloth Southern cuisine
In business: 10 years
Seats: 140
Meals served: Lunch, dinner

"Business has been pretty good for lunches, but dinner hasn't been too strong," says **Bill Sanders,** owner/operator of the Bates Inn. "But I don't get too worried because the first three months of the year are usually pretty slow around here." Things begin to speed up in Batesburg, however, in April, when the Masters golf tournament is held 40 miles away in Augusta, Georgia.



The Bates Inn caters to local businesspeople and "lots of folks looking for authentic regional cuisine." At lunchtime, customers partake in a buffet-style lunch, which features three meats and an assortment of vegetables for the low price of $4.00. At night, diners enjoy broiled and fried seafood, prime rib, fried chicken, and grilled beef liver and onions. Their meals are complemented by salads and fresh, regional vegetables, such as turnips and collard greens.

4 EAST NORTH CENTRAL

Location: Alton, IL
Association member: Martin R. Metzger
Operation: Midtown Restaurant
Profile: Fullservice restaurant
In business: 30 years
Seats: 250
Meals served: Lunch, dinner

"Business has been a bit like a roller coaster—busy one night, slow the next," says **Bob Metzger,** manager and co-owner of the Midtown Restaurant. "In general, nobody's doing a tremendous amount of business this winter, but it should pick up as the weather improves."

The Midtown is located in Alton, 20 miles north of St. Louis. Its mixed clientele includes young, working people and older customers attracted by a senior citizen's menu that is offered from 4:00 to 6:00 p.m. in the evening. On weekends, an entertainer performs on the organ and piano.

House favorites at the Midtown include fried chicken, bacon rib filet, homemade ravioli and seafood. *Poor Man's Lobster,* one of Metzger's favorite creations, is a specially prepared broiled ocean fish served with drawn butter and a spinach salad. "You can't tell the difference between this dish and lobster until you close your pocketbook," says Metzger, who believes "a little sales talk sells."

In the past year, Metzger instituted a low-cal menu with the help of his wife, a nurse. The menu, which includes fish, chicken and salads, is so delicious that Metzger claims to have lost 20 pounds. "People really like it," he says.

5 EAST SOUTH CENTRAL

Location: Bardstown, KY
Association member: Bill Kelley
Operation: Talbott Tavern
Profile: Historic inn and tavern
In business: 208 years

Seats: 250
Meals served: Lunch, dinner

"We're in the slow part of the year right now," says manager **Bob Kelley,** "but because of the mild winter, business has been up from last year."

Talbott Tavern, located 35 miles south of Louisville, is the oldest Western stagecoach stop in America. The basement served as a munitions dump for both the Revolutionary War and the Civil War, and visitors to the inn and tavern include such notables as George Rogers Clark, Jesse James, Henry Clay and Abraham Lincoln's family. Today, the bulk of the restaurant's business comes from tourists, although the the tavern's regional cuisine is well-known in western Kentucky.

Specialties at the Talbott Tavern include rabbit, country ham, catfish, shrimp, chicken and steak. Checks average nearly $5.00 at lunch and $10.00 to $14.00 at dinner. Homemade desserts include cobblers and chess pie.

6 WEST NORTH CENTRAL

Location: Cedar Falls, IA
Association member: John Bartling
Operation: Olde Broom Factory Restaurant
Profile: Fullservice restaurant
In business: 10 years
Seats: 190
Meals served: Lunch, dinner

"For most restaurants in our area, business has been fair," says **Shelley Francik,** one of the managers of the Olde Broom Factory Restaurant. The local economy, she adds, is not too strong. A large John Deere plant just recently has begun to rehire laid-off employees, and, she adds, townspeople are "hoping things will pick up soon."

The Olde Broom Factory is housed in a 120-year-old building that overlooks the Cedar River. The rustic, three-story landmark, which was renovated in the 1960s, housed a broom factory for 40 years. "We get lots of businesspeople at lunch, but at night many people consider our place more of a special-occasion restaurant."

Prime rib is the specialty of the Olde Broom Factory, and pasta, chicken and seafood—including walleye served three different ways—are also popular. The rest of the menu changes three times a year. Recently, for example, the chef has been experimenting with Cajun dishes.

Homemade desserts at the Olde Broom Factory are also something special. Mouth-watering favorites include *Schaum,* a German treat made with meringue, ice cream and hot fudge or strawberries.

7 WEST SOUTH CENTRAL

Location: Oklahoma City, OK
Association member: Richard Magann
Operation: Big Al's Restaurant
Profile: Self-service lunch spot
In business: 15 years
Seats: 250
Meal served: Lunch

"We're doing pretty well, compared to how the local economy is doing," says **Karen McGlynn,** manager of Big Al's. "The oil business in Oklahoma and Texas is hurting pretty badly."

Big Al's, located in the downtown section of Oklahoma City, is open only three hours a day— 11:00 a.m. to 2:00 p.m., Monday through Friday. "Downtown," says McGlynn, "is dead after 5:30 p.m."

The busy lunch spot serves pizza-by-the-slice, hamburgers, baked potatoes, and *Indian Tacos,* made by covering Indian-fried bread with chili and beans, lettuce, tomatoes, onions, cheese and taco sauce. Big Al's also offers a huge salad bar with more than 40 items.

To best serve the concentrated stream of lunchtime customers, Big Al's uses what McGlynn calls a "scramble system. Customers come in," she says, "and scramble for the appropriate station. Hamburgers are served in one area, pizza in another, tacos in a third."

8 MOUNTAIN

Location: Coeur D'Alene, ID
Association member: Wally Wickel
Operation: Wolf Lodge Inn
Profile: Fullservice steakhouse
In business: 17 years
Seats: 225
Meals served: Dinner

The winter season at Wolf Lodge Inn, a rustic restaurant that is open for dinner four nights a week, has been quite busy. "Wednesday and Thursday are always slow in the winter," says owner **Pat Wickel,** "but Friday and Saturday have been great."

The dinner house's varied menu includes trout, salmon, Australian rock lobster, scallops and lamb. The true specialty of the house, however, is steaks that are cut to order and grilled over an open pit.

The focal points of the Wolf Lodge's dining area are a huge fireplace and two open cooking pits. The pits burn cherry wood "for flavor" and tamarack "to keep the fire burning hot." Through the windows of the spacious dining rooms, customers gaze upon woods and an adventurous bear who, says Wickel, "usually comes every September."

9 PACIFIC

Location: El Portal, CA
Association members: Ruth and Chuck Jette
Operation: Yosemite Parkline Restaurant
Profile: Fullservice family restaurant
In business: 20 years
Seats: 75
Meals served: Breakfast, dinner

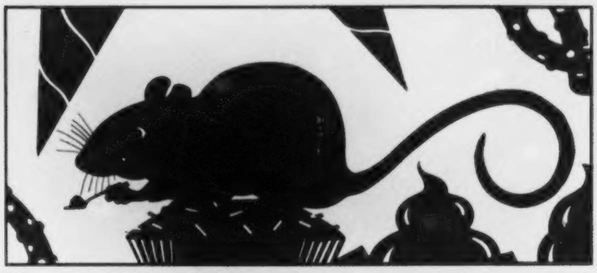
"Every winter is slow here, and that's how we like it," says **Ruth Jette,** co-owner of the Parkline Restaurant. "It gives us time to clean carpets, re-do the kitchen and fix up things." The owners of the small family restaurant, located at the entrance to Yosemite National Park, rely on a busy tourist season to carry them through the slow winter months.

The Parkline is situated scenically on the Merced River in California's Mariposa County. "I always tell people that if they don't like the food or service, they'll at least like the view," jokes Jette. The owner fields few complaints, however, because the menu has something for everyone, and the guests, says Jette, "are tended to like family."

The Parkline's busy season runs from the first of April to the end of October. During this season, almost all the patrons are tourists, including many foreigners. Most of the customers, says Jette, "don't want anything fancy when they get out into the country." Jette offers a wide selection of traditional dishes, including fish, spaghetti, chicken and hamburgers.

—David Slater

Junk food rat has last laugh



Ezra Wise, a St. Petersburg, FL, seventh-grader, recently conducted a nutrition experiment for a local science fair. He bought two similar rats, put them in cages and for five months fed them radically different diets—one based on junk foods, the other on natural and healthy items. The rodents, however, did not follow the expected script, and the only conclusion Wise reached is that a scientist should never count on a rat.

Tom, the junk food rat, is still thriving on a diet of pretzels, brownies, cupcakes and ice cream. A diet of seeds, grain, rice and rat pellets, however, proved too much for Jerry, the health food rat, and he rolled over and died. "I'd have to say it was natural causes, even though that sounds kind of weird," said Wise.

Wise's project, "Nutrition—Is It Really Good For You?" was entered in the 1987 Pinellas County Regional Science and Engineering Fair. It did not win. Has Wise learned anything from his experience? "I think healthy food is better for you," he said, "but I'm still going to eat a lot of junk food."

—United Press International

New reason to visit

Starting this summer, visitors to the Bavarian Inn in Frankenmuth, MI, will be able to experience Bavarian culture through more than just the famous chicken dinners.

Before or after dining, guests at this traditional German inn will be able to explore the underground level where a doll maker will assemble German dolls and clothing in a doll and toy factory. Some of the German-style dolls will be displayed in a large doll house which will be the focal point of the $600,000 restaurant addition. The second floor of the addition will include a roof garden, featuring a lounge and seating for 85 guests.

—Frankenmuth Bavarian Inn

A different kind of delivery

Since its opening 10 years ago, the Inn at Little Washington has been a favorite of Washingtonians looking for a special meal away from home—even though the touted restaurant is a 70-minute drive from the nation's capital. To make the trip easier on their urban customers, the inn's owners are instituting a once-a-week evening shuttle service from Washington to their Rappahannock County, VA, inn.

Guests will be picked up each Thursday at 6:00 p.m. at the Ritz Carlton Hotel, driven to the inn and returned no later than 11:30 p.m. At the inn, they will be served a five-course dinner from the inn's multifaceted, seasonal menu. Cost of the outing will be $75. Beverages, wine, gratuities and tax are not included.

—Washington Times

A no-smoking restaurant town

Anti-smoking advocates are beginning to look forward to the day when restaurant patrons accept no-smoking signs as readily as do moviegoers. The accelerating national anti-smoking campaign has once again hit pay dirt, this time in Beverly Hills, CA, the little city of big incomes and fervent health consciousness. On February 18, the City Council voted unanimously to ban smoking in restaurants, retail stores and public meetings. The ordinance only exempts hotel restaurants.

Restaurateurs and many of their patrons, however, are not enthusiastic about the new tobacco ban. Lee Rich, the chairman of MGM–United Artists Entertainment Co., spoke for many entrepreneurs when he said, "Let a man run his restaurant the way he wants to. If the customer doesn't like it, he can go somewhere else."

Mike Sims, executive vice president of the Beverly Hills Chamber of Commerce, and the city's mayor, Charlotte Stadaro, said they could have forged an agreement for no-smoking areas in half the seats in each city restaurant—but owners insisted on an all-or-nothing proposal, until it was too late.

—Washington Post

Commercials that tell stories

Pizza Hut is taking a new twist with its advertisements, opting for continuing stories to hold viewers' attention.

Pizza Hut will begin a series of 60 commercials that will trace comedian Rich Hall's journey around the United States in a Winnebago known as "Mobile Institute of Pizza Studies." His quest: to explore why people love Pizza Hut's pizza. The campaign is estimated to cost between $50 and $80 billion for air time.

Hall, formerly of *Saturday Night Live*, questions Pizza Hut fans, including a real Southern sheriff who pulls him off the road and normal folks from Normal, IL.

"This allows us to talk about many subjects—personal pan, thin and crispy, carryout—and still have a consistent format that reminds people, 'This is Pizza Hut talking,'" says Jim Fisher of Pizza Hut. And it gives local Pizza Huts, which do most of the advertising, a wide choice of commercials.

—USA TODAY

We know all about your customers . . . shouldn't you?

Find out from National Restaurant Association Consumer Research Publications

The National Restaurant Association Research Department is constantly surveying and studying restaurant customers — analyzing who eats what, where, when and why. Through these studies, we know all about your customers and would like to pass that information along to you.

Association publications serve as excellent reference sources whether you are developing a new marketing plan, analyzing a new location or trying to solve lagging traffic problems.

Get to know your customers, today.

The Take Out Market

Take out foods and beverages are the new rage with today's consumers who seek alternatives to preparing meals at home. This 1986 association consumer research study explores the take out market — who's ordering, with what frequency and where they make their purchases. Everything you need to know to get in on this new trend. In addition, the study examines why consumers are opting for the take out meal more and more frequently. It also explores general attitudes toward take-out purchases in today's market.

CS935, 140 pgs., soft-cover book, 1986, $25 members, $50 non-members

Consumer Preferences for New Restaurant Concepts, 1986

This study, conducted exclusively for the association by the Gallup Organization, provides valuable information on the types of specialty restaurants consumers patronized in 1986. It outlines preferences for pizza delivery, barbecue, gourmet take out, hot dogs, Oriental fast food and mesquite grilling, among others. The numerous tables included with this report provide detailed information on age, sex, income, household size, education, marital status and regional variations.

CS803, 140 pgs., soft-cover book, 1986, $15 members, $30 non-members

Consumer Nutrition Concerns and Restaurant Choices

Consumer interest in nutrition is here to stay. And nutrition will continue to have an impact on what your patrons choose to order. This market segmentation study makes a major contribution to understanding what motivates consumers when it comes to making restaurant choices. It divides the market into four groups: traditional consumers, weight-conscious consumers, health-conscious consumers and the uncommitted. Numerous marketing opportunities are suggested by a wealth of information on menu choices and attitudes about health, nutrition and restaurants in conjunction with dining out behaviour and demographics. This publication is sold in two volumes. "The Summary, Volume I," provides a general understanding of survey results. Those interested in using survey results for their own marketing plans will want to purchase the "Detailed Tables, Volume II."

Summary, Vol. I, **CS984**, 50 pgs., soft-cover book, 1986, $25 members, $50 non-members

Detailed Tables, Volume II, **CS985**, soft-cover book, 1986, $50 members, $100 non-members

Consumer Preferences for Ethnic Restaurants

Ethnic menu variations are being demanded by a larger percentage of the market than every before. This consumer research study explores the popularity of various ethnic foods, the frequency with which such foods are ordered in restaurants and the likelihood that the item is ordered again. Seventeen ethnic food groups are included, ranging from Italian, Mexican and Japanese to British, Russian and Middle Eastern.

CS980, 86 pgs., soft-cover book, 1984, $15 members, $30 non-members

Meal Consumption Behavior

How much do you really know about your customers dining behavior? In this compilation of more than 40 demographic tables, you can examine the eating patterns of individuals — where they eat breakfast, lunch and dinner; when they skip meals and much more. Tables are broken down by age, sex, income, household size as well as many other demographic factors — all designed to give you a better understanding of your customer so you can better serve their needs.

CS100, 60 pgs., soft-cover book, 1985, $12.50 members, $25 non-members

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THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 7 ▢ NO. 5 ▢ MAY 1987

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Real Estate and Restaurant Site Selection
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6/1–2 Toronto, Ontario, Canada
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6/8 Boston, MA

Wine and the Bottom Line
5/27 Philadelphia, PA
6/16 Cincinnati, OH

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Foodservice Purchasing Managers
9/10–11 Toronto, Ontario, Canada

Internal Auditors
9/15–18 Las Vegas, NV

Labor Relations
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Large Independent Operators
8/19–21 Boston, MA

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Marketing Executives
10/18–20 Lake Tahoe, NV

Multi-unit Architects, Engineers and Construction Officers (MAECO)
9/16–18 Las Vegas, NV

Safety Officers
7/20–22 Seattle, WA

Tax Executives
10/7–9 Denver, CO

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

Published by the National Restaurant Association

RESTAURANTSUSA
VOL. 7 NO. 5 ☐ **MAY 1987**

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Restaurants USA (ISSN 0890-5584) is published monthly, except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. $25 of membership dues includes a one-year subscription to ***Restaurants USA.*** The non-member subscription fee is $125 per year. Second-class postage paid at Washington, DC 20001 and additional mailing offices.

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PRESIDENT'S REPORT

G. "Jim" Hasslocher, President
Frontier Enterprises, San Antonio, TX

As I reflect upon my term as your president, which ends this month, I am filled with an overwhelming sense of pride. I am proud of the advances we have made on the legislative, educational, research and communications fronts in 1987. But most of all, I am proud to be a member of the National Restaurant Association. As your president, I gained a deep understanding of how powerful, influential and beneficial our association can be.

Protecting the industry's interests

This past year it has been my privilege to lead you in facing the challenges that confront our industry. On the legislative front, the formation of the 100th Congress, with its new leadership and new priorities, has necessitated a greatly increased effort on our part to protect the interests of the foodservice industry. Legislation which the new Congress has proposed, and which your association is actively and emphatically against, includes a minimum wage increase, mandated benefits and FICA taxes on tips.

I can assure you, our opposition to these proposals is well known in Washington. We are optimistic that our views will be heeded.

This year, we have also felt the ramifications of legislation the 99th Congress left in its wake—namely, the 80-percent business meal deduction and the new immigration law. We are monitoring the effects these new laws will have on our industry.

Successful industry image campaign

Your association took a bold initiative this year in confronting another pressing issue—the projected labor shortage. Last fall, we joined with other organizations in the hospitality industry in launching "Ours is a Special World," a campaign aimed at enhancing the image of the hospitality employee. This campaign establishes three goals: to promote professional pride among current hospitality industry employees, to promote industry opportunities to potential employees, and to promote the hospitality industry to the public at large.

Throughout the past year, we have concentrated on the first goal—promoting the industry within our existing ranks—and I am pleased to report that we have come a long way. Phase Two of the campaign— promotion of our industry to potential employees—will be launched this summer.

Education programs strengthened

This past year also saw a landmark development on the educational front: the consolidation of the association's educational programs department with the National Institute for the Foodservice Industry (NIFI) to form the Educational Foundation of the National Restaurant Association. This new venture strengthens your association's efforts in all aspects of education, from conferences and seminars—300 were held this past year alone—to providing potential employees with information and support as they seek careers in foodservice.

The association's VideoTraining series also expanded this year, with the completion of the second installment in the program, *Back-of-the-House-Training*. Preliminary work has been completed as well on a third installment on wine service. The first video in the series, *Waitstaff Training*, was honored this year by the American Society of Association Executives with their Award of Excellence in Education.

Association publications to fit every need

This year's association publications were more diverse and plentiful than ever before. Four new titles were added to the invaluable library of Current Issues Reports: *Non-Uniformity of Regulations, Food Product Information, A Restaurateur's Guide to the Insurance Crisis,* and the latest report, mailed this month to all key members, entitled *Substance Abuse and Employee Assistance Programs.* Other special publications addressed specific foodservice concerns; *The Foodservice Operator's Crisis Management Manual, Ingredient and Nutrition Information Guidelines,* and the *1987 Directory of Foodservice Computer Hardware and Software* are just some outstanding examples.

And, of course, the association's flagship publication underwent a name change during my administration. I believe the magazine's new name, ***Restaurants USA,*** accurately reflects the breadth and scope of the publication's content as well as its nationwide focus.

As my term as your president draws to a close, let me take this opportunity to thank you for the trust, support and encouragement you gave me this year. My wife Veva and I both feel greatly enriched by the experience. We feel better qualified as leaders in our own business because of the challenges we faced. And, most of all, we are both tremendously proud to be members of the National Restaurant Association.

During April, 182 foodservice operators and allied suppliers joined us as members. Welcome. Your participation in the association will make your business grow and will make the association more effective in its endeavors on your behalf.

Sincerely,

G. Jim Hasslocher

G. "Jim" Hasslocher
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: FREQUENT DINING PROGRAMS

16 Taking a cue from the successful programs developed by airlines and hotels, restaurateurs are developing their own promotions to reward repeat patronage. Although frequent dining programs can vary substantially, all have the same goal—to build customer loyalty and increase visit frequency.

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If you were not among the more than 140 operators who attended this year's INFO Conference, here's an overview of what you missed.

11 Close-up: 16 ways to put money in your pocket
Adapted from one of the most informative presentations at INFO '87, this list of ideas suggests a variety of practical ways to boost your bottom line.

PASTAIO
PASTA MAKER

20 Child care—the fringe benefit of the '90s?
Child care may soon become one of the most sought-after employee benefits. A few restaurant companies are already reaping the benefits of offering some form of child care assistance. They point to reduced absenteeism, increased productivity and loyalty and improved employee recruitment.

23 Restaurateurs fume about mandated benefits
Restaurateurs are speaking out against the proposed Parental and Medical Leave Act, a bill which could become law.

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Although designing a restaurant can be an intimidating task, some restaurateurs prefer to take on the challenge themselves rather than leave the decisions to a professional designer.

28 Protecting your restaurant's image
After investing invaluable time and money in your restaurant's design, you certainly don't want competitors copying your ideas. You can protect your restaurant's design by applying the principles of trade dress and trademark law.

30 Discovering new opportunities with lamb
Creative chefs are sparking renewed interest in lamb.

32 Post-modern, pasta and pediatric menus take grand prizes
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Cover photograph by Gary Landsman

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New publication examines restaurant patronage

How frequently do consumers dine at fast food and moderately priced family restaurants? Why do they choose to visit these types of establishments? How satisfied are they with these visits? These are the questions answered in a new National Restaurant Association report, *Consumer Behavior and Attitudes Towards Fast Food and Moderately Priced Family-Style Restaurants.*

The publication contains the complete results of a Gallup Organization survey conducted last fall for the association. The report provides demographic profiles of frequent fast food and moderately priced family restaurant patrons, along with insights into how the need for convenience influences consumers' dining out decisions. In addition, the report highlights those attributes consumers are satisfied and not satisfied with at fast food and moderately priced family restaurants.

To order the publication, contact the National Restaurant Association, 311 First St., N.W., Washington, DC 20001, or call (800) 424-5156 or (202) 638-6100.

Payment must accompany all orders. The cost to members is $12 (plus $2 shipping and handling). The cost to non-members is $24 (plus $3 shipping and handling). Residents of Washington, DC, must add a six-percent sales tax. Illinois residents must add a seven-percent sales tax and Chicago, IL, residents must add an additional one-percent sales tax, bringing their sales tax total to eight percent. Credit card orders are accepted. Please specify order number CS 945 when ordering.

Association publishes guidelines for ingredient and nutrition facts

The National Restaurant Association's most recent publication, *Ingredient and Nutrition Information, Guidelines for Providing Facts to Foodservice Patrons,* suggests ways for operators to respond to consumer inquiries for ingredient and nutrition information if the need arises. The publication was developed at the direction of the association's Task Force on Ingredient Labeling. It reviews issues of consumer concern and suggests means of developing informational materials based on those concerns. Various methods of information dissemination are provided for both quick-service and tableservice operations.

Ingredient and Nutrition Information has been distributed to key members. Additional copies are available from the association's Information Services Department. The cost is $3 for members and $5 for non-members.

Leaders of learning update:

Seven educators win fellowships

Seven foodservice educators won awards totaling $8,200 in the 1987 Heinz Graduate Degree Fellowship Program, an award funded by the H. J. Heinz Foundation and administered by The Educational Foundation of the National Restaurant Association. This brings the number of foodservice educators who have received professional awards to 143.

Winners of the annual awards are selected on a national competitive basis by the foundation's fellowship committee, comprised of leading educators and foodservice industry leaders.

The graduate degree fellowships were awarded to

☐ **Marcia W. McDowell,** chairwoman of the department of hotel management at Monroe Community College in Rochester, NY, received $2,000 toward a master of business administration degree in human resources management.

☐ **Catherine E. Ralston,** assistant professor in School of Hotel & Food Administration, University of Guelph, Guelph, Ontario, Canada, received $1,200 to study for a doctorate in food service and foodservice administration.

The following were each awarded $1,000 fellowships:

☐ **Dan Crafts,** instructor, School of Hotel & Restaurant Administration, Oklahoma State University in Stillwater, OK.

☐ **James J. Huss,** assistant professor of hotel, restaurant and institutional management at Iowa State University in Ames, IA.

☐ **Nora Kay Nyland,** dietetics program director/instructor in the food science and nutrition department at Brigham Young University, Provo, UT.

☐ **Bevelyn B. Tomek,** instructor in the trades department at Albuquerque Technical-Vocational Institute in Albuquerque, NM.

☐ **John R. Walker,** director of the school of hospitality management, U.S. International University, San Diego, CA.

American Express donates $25,000 to educational foundation

American Express Travel Related Services Company, Inc., New York, NY, donated $25,000 to The Educational Foundation of the National Restaurant Association.

The funds were disbursed in two parts. A $10,000 contribution is earmarked to produce a three-part video training program for foodservice establishments that will emphasize wine knowledge, wine service and wine merchandising. It is part of a concerted effort by American Express to encourage service excellence.

A separate $15,000 contribution was the result of a campaign in which American Express made a donation to the association's Educational Foundation Endowment Trust for every approved American Express® Card application generated from displays in restaurants across the country. "We are dedicated to developing unique and exciting programs which promote the restaurant industry," says Lewis M. Taffer, vice president, restaurant and new services marketing for American Express.

Kennedy, Hawkins unveil minimum wage legislation

Sen. Edward Kennedy

During a press conference on March 25, 1987, Sen. Edward Kennedy (D-MA) and Rep. Augustus Hawkins (D-CA), the powerful chairmen of the Senate and House labor committees, unveiled legislation likely to become the main vehicle for raising the minimum wage. The Kennedy-Hawkins legislation was prepared in conjunction with organized labor groups.

The two bills, S. 837 and H.R. 1834, would move the minimum wage up to $4.65 by 1990 in three steps: to $3.85 on Jan. 1, 1988, to $4.25 on Jan. 1, 1989 and to $4.65 on Jan. 1, 1990. Beginning in 1991, the wage would be adjusted yearly to maintain it at 50 percent of the average hourly earnings of private, non-supervisory, non-agricultural workers.

"A minimum wage that does not permit full-time workers to provide the bare necessities for their family is unacceptable," said Kennedy, who cited statistics showing that a full-time minimum wage employee earns only $6,980 annually, or $4,605 less than what the government sets as the poverty line for a family of four.

The cost of living has risen 27 percent since 1981 without any corresponding increase in the minimum wage. This decline in purchasing power has a crippling effect on many minimum wage earners, said Kennedy and Hawkins, noting that adults comprise 70 percent of the minimum wage work force and women comprise 63 percent.

John Sweeney, the president of the Service Employees International Union, issued a statement at the press conference supporting the bills.

Sweeney said that 88 percent of all minimum wage jobs are in the fast-growing U.S. service sector, but that the emerging service economy will only remain as healthy as the desirability of the jobs it provides. "By any yardstick," he said, "the current federal minimum wage is not even a survival wage."

The National Restaurant Association and other employer groups, however, argue that an increase in the minimum wage will hurt those it is intended to help. Increased labor costs will force employers to reduce hours, streamline or eliminate marginal positions and significantly reduce hiring, thereby making it even more difficult for applicants with few skills to break into the job market.

The National Restaurant Association has joined other industries—retail, construction, manufacturing, agriculture and health care—in a "Minimum Wage Coalition To Save Jobs." The coalition's goal is to convince Congress that a minimum wage hike is not the way to protect low-skilled workers from poverty.

Richard Berman, executive vice president of S&A Restaurant Corp. (Dallas, TX), chairs the coalition. He pointed out that a minimum wage hike would also set off an inflationary spiraling of the wages paid to higher-skilled workers, further increasing business labor costs.

S. 837 is the first minimum wage bill to be introduced in the Senate; H.R. 1834 brings to six the number of minimum wage bills currently pending in the House. Hearings on the minimum wage bills began last month, and Kennedy and Hawkins hope to bring the legislation up for a floor vote by late summer or fall.

Grisanti testifies on FICA issues before Senate

National Restaurant Association Vice President Michael Grisanti (Grisanti, Inc.; Louisville, KY) brought the restaurant industry's case to a taxation subpanel of the Senate Finance Committee on March 23, following his presentation to the House of Representatives earlier that month (See "Board Room," April 1987, ***Restaurants USA***). As before, Grisanti testified against a proposal in the President's budget that would force employers to pay Social Security taxes on all employee tips.

Grisanti argued that tip income is a unique form of income, that should not be treated for tax purposes in the same way as wages paid by the employer.

Grisanti showed the senators serving on the panel that the tax increase could cause FICA payroll costs to shoot up by as much as 71 percent in an establishment with yearly sales of $1 million where servers averaged $3.70 per hour in tips. Small businesses would feel the greatest impact of the proposal, noted Grisanti, since these operations employ the majority of tipped workers.

Since January, the association has been urging these legislators to reject the "FICA on tips" proposal. And the association's lobbying efforts have met with success: In early April, the House Budget Committee recommended against the proposal, calling it "narrow-based and overly selective in light of the need for a meaningful contribution to permanent deficit reduction from the tax system."

Immigration regulations final by June

Employers will have three business days from an employee's date of hire to verify that the new employee is either a U.S. citizen or an alien authorized to work in the United States, according to proposed regulations issued by the Immigration and Naturalization Service (INS).

An earlier draft of the proposal would have required employers to complete the verification process within 24 hours of hire. The time-limit extension and several other changes in the draft came after the National Restaurant Association and other interested parties filed comments with INS in early February.

The proposed regulations outline new responsibilities for employers under the Immigration Reform and Control Act (IRCA) that was signed into law Nov. 6, 1986, and which, for the first time in U.S. history, penalizes employers who knowingly hire illegal aliens.

INS will finalize the proposed regulations by June 1, 1987, the date that marks the beginning of a one-year transition period under the new law. During this first year, employers will be issued warnings for first-time hiring or recordkeeping violations and will be penalized for all subsequent violations. On June 1, 1988, employer sanctions go into full effect.

By the end of May, INS will make Employment Eligibility Verification Form (I-9) available to employers. The one-page form contains sections for both the employer and the employee to fill out, and it must be completed for each employee hired since Nov. 6, 1986. The verification process will entail examining employee documents that prove U.S. citizenship or authority to work. (INS's proposed regulations contain a list of acceptable documents.) I-9 forms will have to be kept on file for three years from an employee's date of hire or for one year after termination, whichever is later. Employers who fail to maintain the proper paperwork will face civil fines.

Under the new law, aliens who have resided illegally in the United States before Jan. 1, 1982, may apply for legal status beginning May 5, 1987. Illegal aliens who say they intend to apply for legal status and seek interim work authorization from INS *may* be hired without fear of penalty until Sept. 1, 1987. Space will be available on the I-9 form for an employer to note that the employee is seeking legal status.

INS is anxious to work closely with employers—even those who have traditionally hired many illegal aliens—to help insure a smooth transition as employers assume their new hiring and recordkeeping responsibilities.

The National Restaurant Association has again filed comments with INS, pinpointing areas where the proposed regulations need clarification, expansion or change.

—Jay Morris
—Denise Roach
—Ruth Thaler

Abdnor confirmed to SBA top post

James Abdnor, former Republican senator from South Dakota, was sworn into office on March 23 as administrator of the Small Business Administration (SBA). Abdnor will set SBA policy on day-to-day matters since Congress establishes policy for the agency.

"Being from South Dakota, Mr. Abdnor is particularly interested in promoting small business in rural areas where the economy has been hit pretty hard," says Mike Thomas, SBA press spokesman.

While in the Senate, Abdnor served as chairman of the Senate Appropriations Subcommittee on Small Business. Home-based businesses are "very big" in SBA priorities, notes Thomas.

Restaurants should benefit from that focus, he adds, especially since franchise operations will be a major focus this year. SBA, in cooperation with the International Franchise Association (IFA), will sponsor a series of two-day conferences in different locations on franchising through November 1987. The conference topics are "How to Buy a Franchise" and "How to Franchise Your Business." (Call SBA for more information at (800) 368-5855.)

Association sponsors lunch for 130 House Republicans

Marty LaVor © 1987

With the help of Washington, DC-based American Cafe, the National Restaurant Association provided box lunches to more than 130 Republican House members during their March train trip to New York City. The members of Congress participated in a ceremony at Federal Hall, site of the first U.S. Congress; heard from 1988 Republican presidential hopefuls and discussed issues of concern to the party. Above, Linda Steele of the National Republican Congressional Committee hands a box lunch to Al McCandless (R-CA) and his wife Gail.

Bob Juliano gives union perspective on industry issues

In a recent interview with **Restaurants USA,** *Bob Juliano, lobbyist for the Hotel Employees and Restaurant Employees International Union (HEREIU), AFL-CIO, gave the union's perspective on issues facing the industry. HEREIU has about 350,000 members in the United States and Canada, concentrated predominantly in urban areas.*

***Restaurants USA:* What are some of the major issues facing your members this year?**

Juliano: We are still very much concerned—as your members are—about business meal and entertainment deductibility. There's now an effort in Canada to get comprehensive tax reform, and it appears that there may be a move to reduce deductibility in that country to 75 percent. We have quite a few members in Canada, so we're watching that development very closely.

Australia, as you know, has eliminated the deduction entirely. All of the things that we and your association said would happen—the loss of jobs and the ripple effect on the economy—are, unfortunately, now coming to pass in Australia.

As far as Congress is concerned, our message to those on the Hill is that 80-percent deductibility is a floor under which we cannot drop. We don't want Congress to come back and drop the deduction down to 75 or 70 percent.

But I don't think Congress will revisit business meals this year. It's going to take a while to assess the impact of tax reform on the country. Ways and Means Committee Chairman Rostenkowski (D-IL) said the fight on business meals was one of his toughest. My sense is that he wants to wait before doing anything.

Q: Tip reporting remains a big issue for your members, doesn't it?

A: Yes, very much so. It's been such a problem that we've set up a hotline each year during tax time to help our members. We get calls from all over the country, and they become the basis for our recommendations to Congress. Since the new requirements first passed in 1982, we've been working to get corrections into the law, as has your association.

The biggest problem we've found is that employers just don't want to allocate tips. A lot of people still don't want to admit that the law passed. Those problem areas that we've identified and brought to the attention of Congress have been largely accepted, but the implementation in the field is killing us. People just don't do it. Accountants are telling operators, "Stick it to your people; that way you won't have Uncle Sam coming to look at your books." If they followed what we carved out with Congress, it would be a piece of cake.

Q: What about some of the issues that are sure to surface in the current Congress, such as the Kennedy-Hawkins bill to raise the minimum wage by $1.30 over three years?

A: We are taking a very close look at the legislation, but we haven't formulated a position. As a matter of general trade union principle, we would support a minimum wage increase. But I probably would not lobby directly for it unless there were some changes in the tip credit provision.

The minimum wage itself just does not affect our members. Our salary scales are so much higher than the minimum that I can hardly go to a member of Congress and say, "This is a matter of life or death," when we've got people making $10 or $11 an hour.

On the other hand, if there is something in the bill on the tip credit, then, yes, we'll be in the thick of things. That would have a direct impact on about one-fourth of our members.

Bob Juliano

Q: Legislation to ban the use of lie detectors, which restaurateurs oppose, is moving through Congress again. What are your thoughts on such a bill?

A: There's a very good chance something will come out of Congress on this issue. A ban has widespread support; unfortunately, every time something happens in the way of national security, people are reluctant to bring it up.

We feel very strongly that polygraphs have no place in the workplace, especially for pre-employment screening.

Q: So you support a complete ban—both on pre-employment and post-employment testing?

A: Yes, but post-employment is not that big a concern because, in many cases, collective bargaining agreements prohibit post-employment testing. The bottom line is that we can't accept pre-employment testing.

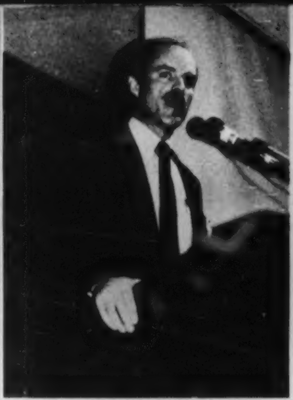
Q: Another bill that's making headway is the "plant closings" bill, which would require employers to give advance notice of a closing. As you know, the business community opposes it. What's your opinion?

A: We've supported it because we think it's the right thing to do. But a lot of our contracts already have provisions requiring advance notice of a closing. The problem is that this issue is very much tied to the successorship problem. It doesn't make any difference what your contract says if the business changes hands and you've been thrown out the door.

Q: What about the issue of federally mandated employee benefits, such as parental and disability leave?

A: We don't have a specific position. In general, we'd have a concern if matters got outside the collective bargaining process. Obviously, we have a strong belief in the collective bargaining system. We like the current process of negotiated benefits. Let the employees and employers work out benefits among themselves.

"The entrepreneur is the driving force behind any industry, and you, as small businesspersons, are the heart and soul of the restaurant industry," said Brian Harron, conference master of ceremonies.



Attendees listened intently as association director Thomas Kershaw (Hampshire House Corporation; Boston, MA), far right, discussed his successful T-shirt merchandising program. ▲

Overview

INF

Each year at the National Restaurant Association's Independent Foodservice Operators' National Conference (INFO), independent restaurateurs have the opportunity to step back from their day-to-day concerns and focus on the broad challenges and opportunities of running an independent restaurant operation.

This year's conference, held in late January in San Francisco, CA, drew more than 140 operators from around the country. Although their backgrounds, operations and geographic markets varied tremendously, attendees found plenty of common ground. "Having the opportunity to interact with other operators with similar viewpoints and experiences was very rewarding," said Phil Roberts, president of Premier Ventures, Inc., a five-restaurant operation in Denver, CO. "Unfortunately, my interaction with other restaurateurs is generally pretty limited."

For three days, though, interaction and discussion reigned. The programs and speakers, geared specifically toward an independent's concerns, sparked lively exchanges of ideas—during, between and after presentations. "It was an intense three days," admits one attendee, "but very worthwhile."

Developing motivated employees

One of the primary topics addressed was how to develop leadership and employee motivational skills in today's competitive environment. In a stimulating keynote address, speaker Kelsey Tyson, vice president of Blanchard Training and Development, Inc. and well-known lecturer on *The One-Minute Manager*, discussed management techniques, highlighting what makes a good leader and how to keep employees motivated. "The key to motivating people," Tyson emphasized, "is to consistently give feedback on results. Employees want to know when they are doing well and when they aren't."

Susan Clarke, president of Motivation Unlimited, underscored Tyson's remarks, adding that management attitude directly affects employee attitudes. She explained that teaching employees to have a positive attitude is crucial to a restaurant's success because employees form a customer's impression of an establishment. "People will overlook technical mistakes if an employee has a congenial, positive attitude," maintained Clarke, "but they won't if the attitude is wrong to begin with."

INFO '87 Master of Ceremonies Brian Harron, president of Harron Enterprises, Inc., personalized management and leadership principles with his in-depth profiles of three of the industry's most dynamic restaurateurs: Ted Balestreri (Restaurants Central; Monterey, CA), Victor Rossellini (Rossellini's 410; Seattle, WA) and Bob Sikora (Bobby McGee's; Phoenix, AZ). Harron explained that successful entrepreneurs, such as these three restaurateurs, generally have certain characteristics in common which enable them to stay "on top of the top." Some of these characteristics are:

□ **A bias for action**—having a preference for doing something, rather than just analyzing and discussing.

□ **Staying close to the customer**—maintaining a "customer," not a "corporate," mind-set.

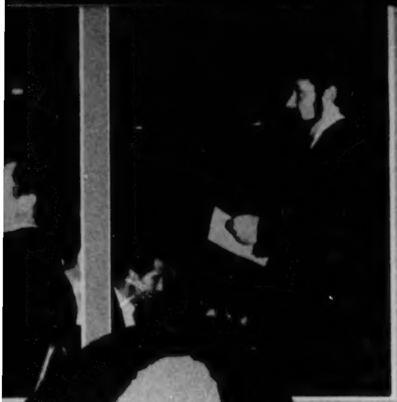
□ **Productivity through people**—creating an awareness that every employee's best efforts are essential to the company's success and encouraging employees to think independently and competitively.

□ **"Stick to the knitting"**—realizing what business the company knows best and sticking primarily to that business.

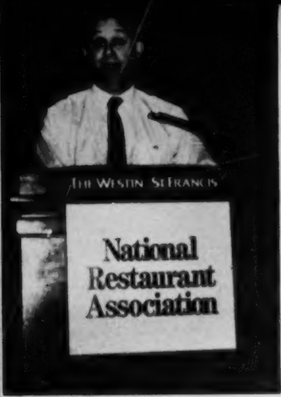
□ **Simple form, lean staff**—maintaining few administrative levels and keeping the number of people at upper levels minimal.

Branching out

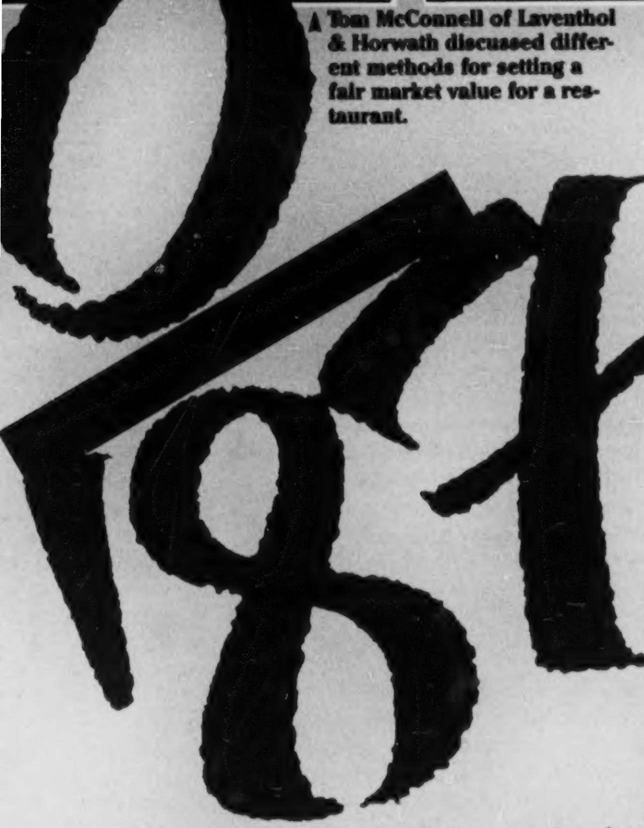
Another focus of the conference was the different ways operators can broaden their restaurant's profit base. For instance, speakers Rob Bartell (Snoqualmie Falls



▲ **Tom McConnell of Laventhol & Horwath discussed different methods for setting a fair market value for a restaurant.**



◄ **Bill Main gave INFO '87 attendees tips on boosting profits.**



Inn; Snoqualmie Falls, WA), Ti Martin (Commanders Palace; New Orleans, LA) and Michael O'Harro (Champions; Washington, DC) discussed their profitable merchandising programs for specialty signature items.

A session on the growing takeout and delivery trend also gave operators new ideas for expanding their markets.

Boosting profits

How to boost bottom-line profits was the underlying theme in several other presentations. Operators were treated to in-depth "nuts and bolts" discussions, which ranged from efficient kitchen design to security controls to specific suggestions for cutting costs and boosting profits (see the special INFO Conference Close-up report on this page).

Other speakers focused on general financial concerns, such as how the new tax laws will affect restaurateurs, how to establish a fair dollar value for a business and how to ease the effects of the liability crunch.

Overall, operators seemed stimulated and inspired by the vast amount of information and new ideas. Attendee Phil Roberts summed up the general reaction to the three-day event, "I can't wait till next year's conference," he said. "I wish they had two each year." ☐

Conference Close-up

16 Ways to Put Money in your Pocket

by Bill Main

Profitability, by my definition, is a mind-set. It is a mind-set you can cultivate. I am an "in-the-trenches" operator just like all of you, and I have found ways to consistently boost my bottom line 11 percent above the industry average of 11.4 percent.* Here are some of the concepts that have worked for me; they can put money in your pocket, too.

1 Understand your restaurant's culture. Your restaurant's culture consists of the values embodied in your day-to-day operating philosophy. The longer I am in the business, the more important I think it becomes to understand what your restaurant is all about.

There are three ways that I find out about my restaurant. First, I ask my suppliers to tell me, candidly, what they have heard about my operation on the street. I have identified probably 50 percent of the problems in my operation through my suppliers.

Second, I go to a competing restaurant, incognito if possible, and ask an employee there what he or she thinks of my operation. You will get some fantastically informative answers in this way. I know operators who never thought they had a drug problem in their restaurants find out they did because of this way of getting information.

Third, and most important, I get feedback from my customers. Every week, we do a customer survey to find out what customers do and do not like about our operation. We ask the questions that we most want answers to, and we build our findings right into our selling. The responses also give

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Bill Main is co-owner of The Shore Bird Restaurant in Half Moon Bay, CA, and an independent food-and-beverage consultant specializing in profitability, management, financing and turnaround strategies for fullservice restaurants. This article has been adapted from Main's presentation at the INFO '87 Conference. Main will also discuss the topic in a National Restaurant Association seminar program, "Profitability in the Fullservice Restaurant," which will be offered in various locations throughout the country in 1987. For further information, contact the association's Education Programs Department, (800) 424-5156 or (202) 638-6100.

**Based on a composite from the National Restaurant Association's* 1986 Restaurant Industry Operations Report *of all restaurants.*

us leverage in dealing with our employees.

2 Be committed to fundamental business principles. Good employees do not respect an operator who is not organized. They love a business that is well run. They want to count on their paychecks being on time. They want to know how they are performing. They like to know that the owners have a basic system or approach to everything that has to be done.

In the restaurant operations business, one of the things that drives me crazy is running out of glassware or silverware or having meals come out 20 minutes late because the dishwasher has broken down because the owner had not done preventive maintenance. That is no way to run a business.

3 Use a financial reporting system and cycle based on the *Uniform System of Accounts for Restaurants* published by the National Restaurant Association. This is probably the smartest system I ever implemented. Not only is it a fantastic base of reference for posting income, expenses, assets and liabilities, but it also creates a common language that allows me to compare my results against those of other operators.

4 Switch to 13 four-week accounting periods. Most accountants cringe when you talk to them about 13 four-week periods because everybody is geared to payday occurring on the first and 15th day of the month. But the fact is if you set up your restaurant in 13 four-week accounting periods, each accounting period is identical and payday will occur on the same day every two weeks.

There are other benefits as well. You can ask your kitchen manager to do a full physical inventory every Monday at 7:30 a.m. Not surprisingly, that happens to be the morning when you have the least amount of stock to count. This allows you to generate a weekly food cost.

I very strongly believe that to control food cost you need to develop continuity. You cannot have that continuity if, on a Saturday morning when your executive chef walks in the back door of your operation, he has to take an inventory because it is the last day of the month. His mind is on his biggest night of the week, which is Saturday night. Every Monday morning, on the other hand, you have minimal stocks. You have to reorder anyway, and so you get a very, very accurate count.

Probably the greatest benefit of all from a 13 four-week accounting cycle is that you are able to start expressing your profit and loss statements in weeks, not months. If you have a weekly food and beverage cost, or prime cost as it is called in the business, you have two-thirds of your costs tallied for you every week. If you just monitor those two costs, the rest of them will fall into place because if you have the mind-set to control food, beverage and direct labor costs, that mind-set will carry over into the other categories.

5 Create job descriptions that cut down on operating expenses. Three operating-expense categories that cost a restaurant the most money are laundry, restaurant supplies and replacement of china, glass and silverware. I used to get really frustrated trying to get people to focus on these areas to save money. So, I put my requirements right in the job descriptions, and, through evaluations, I demonstrated I was actually going to monitor employee performance in this area and rate them on how well they did in keeping costs down. The change in the mind-set of the person controlling these costs alone will save you money.

6 Substitute bustubs for garbage cans. About five years ago I put a bustub rack (a baker's rack) at the back door. And I said to all the employees: "Don't throw production waste in the garbage can anymore. Throw it in the bustub. And when the bustub fills up, take it to the

Waitpeople rate kitchen people

(Please rate only the people with whom you work)

1—Poor, 2—Fair, 3—Average, 4—Very Good, 5—Excellent

Please rate the kitchen personnel listed on the reverse side of this sheet in the following areas:

A. Communication/forethought when the "rush" hits. Does this person actually know how long it will take an order to "come up" and can s/he effectively communicate this to you?

B. Plate presentation. Does this person take pride in the meals s/he is setting up to go out to guests, making sure that 1) the plate is not dripping, 2) portions are correct, 3) desserts are not falling apart and 4) vegetables are not "past their prime"?

C. Voice level on the line. Is this person aware that the dining rooms can hear the activity on the line, for example, 1) horseplay, 2) arguing and 3) calling for waitpeople to pick up orders? Does this person keep his/her voice down to a normal level?

D. Attitude. How does this person conduct himself/herself in his/her dealings with waitpeople? Does this person understand that *there is never a reason to be rude?*

E. Guest dissatisfaction. Does this person realize that when something is not right to the guest, it is NOT the waitperson's fault (usually), and, as company policy clearly states, does s/he correct the problem in a courteous manner?

F. Staying in the pantry. Does this person, when scheduled to work in the pantry, stay *in the pantry,* or do you have to "go looking for him/her"?

G. The 86D board. Does this person "set-up" properly? Is s/he aware of the inventory? Does s/he put the items up on the board in plenty of time?

H. The waitperson's job. Does this person understand the reasons why the waitpeople are not "right there" waiting and that serving the actual entree is just one part of the total job of a waitperson?

I. Specials. Does this person actually know what goes into the specials and understand the pricing so that any deviation from the "usual" does not "throw" him/her? Does s/he take the time to explain it to all waitpeople at the huddle?

J. Behind the bar (to be answered only by people who tend bar as well as wait tables). Does this person get behind the bar and, therefore, "get underfoot"?

back door and slip it into the bustub rack. At the end of a shift, the kitchen manager or assistant kitchen manager will check through everything to see what kind of yields you have."

This new system saved us 2.5 points in our food cost. And here is why: Typical production workers in a typical kitchen earn $4.00 to $6.00 an hour. They are not that highly motivated because they are not going to be career prep workers. Instead, they think about their dates that night.

Now, you can talk until you are blue in the face about specifications, but the fact is that specifications are going to be as good as the supervision that the specifiers, or the production people, have.

Kitchen people rate waitpeople

(Please rate only the people with whom you work)

1—Poor, 2—Fair, 3—Average, 4—Very Good, 5—Excellent

Please rate the kitchen personnel listed on the reverse side of this sheet in the following areas:

A. Awareness/foresight. How well is this person "tuned-in" to the specials and their availability during each shift? How well does s/he faithfully mark off limited items while informing the rest of the waitstaff and cooks?

B. Menu knowledge. How well does this person know what s/he is selling and serving? Consider cooking time, portion size, type of product, final presentation, types of sauces, cuts of meat, etc.

C. Genuine concern. How would you rate this person's interest in learning more about the menu items and specials, particularly their food quality and presentation? Does this person show a personal interest in the restaurant or merely work for his/her own personal gain?

D. Technical abilities. How well does this person block print menu abbreviations to be easily understood and read? How well does this person know "firing order"? Does this person often "space out" and forget things?

E. Timing. How would you rate this individual's sense of timing? Does s/he have the ability to pick up quickly? Is s/he readily available and trying to anticipate upcoming orders or is s/he constantly buried?

F. Attitude. To what degree does this person conduct himself/herself toward guests, fellow waitpeople, bus people and line cooks? Is the attitude positive or counter productive?

G. Stamina. Does this person have the ability to handle stress during high-pressure situations, such as "the rushs" without losing his/her cool and becoming overly excited?

H. Communication. How well does this person communicate with you during the shift? Is his/her communication friendly, supportive and professional, or is it often antagonistic?

I. Productivity. How would you rate this person's level of work? Does s/he work hard, keeping busy? Or is this person constantly socializing about non-work-related topics? To what degree does this person have the "cruise" job attitude?

J. Job performance. How would you rate this person's overall consistency and foodservice professionalism? How well do *you* like working with this person?

When we changed to bustubs, we put a plug in the back door of our restaurant. As we checked out the first day, we pulled the bustubs out and checked the yield on carrots, pineapples, meat, fish and all kinds of produce. Our production workers saw their work, and they then knew they could no longer throw food down into the black hole called the garbage can.

7 Ask employees to sign a receiving procedure acknowledgment. I had gotten so tired over the years of listening to people ask about correct receiving procedures that we now require everyone who receives a food product or beverage product to sign an employee receiving-procedure acknowledgement. Now, all this really does is tell them that the receiving function is a very important function to you and that you want it done properly.

If they don't receive items properly, the acknowledgment becomes a written warning or disciplinary memorandum. I found that when $6.50-an-hour people are asked to put their names on the dotted line, they think differently about that task than they would if they are not asked to sign. And that is exactly what I am talking about in terms of developing a profitability mind-set.

8 Encourage awareness about the spread between actual and theoretical food cost. To generate a theoretical food cost, you need to know what you have sold, the menu price of each item, the cost of each item and the mix of what you have sold.

Once you have assembled this data, you can calculate your theoretical food cost, which is based on no mistakes or a 100-percent pure yield based on specifications that you have set. All you need to know is how many of each item you have sold and what the costs are.

The next step is to use your inventory worksheet to generate an actual food cost. Then, every Monday morning when you walk through your door, the first thing you should ask for is the spread between the actual and theoretical food cost. This approach is guaranteed to make a dramatic difference in the mind-set of the people working in your operation.

9 Implement a daily reconciliation of working inventory. There is nothing magical about this. You have a beginning inventory at the start of a lunch. You prep a certain amount of items before the start of that shift. During the course of the shift, the cook may run out of an item. When he or she adds something, the quantity goes into the cook's "add" column. At the end of the shift, the cook has an ending inventory of items in the reach-in or under-counter refrigerator. That dictates usage.

The usage column better match what we call the host count. Our policy is that nobody goes home until we have accounted for everything. One night, our staff worked until 3:00 a.m. trying to find one top sirloin. It only takes one time for that to happen, and the word gets out real fast that you are serious about reconciling your daily inventory for both lunch and dinner.

You will find that, generally speaking, 80 percent of your hard costs come from 20 percent of your items. Those are the items to watch. Who steals potatoes? No one. But you should know about every prawn or steak.

10 **Give a bonus instead of a raise.** We have all been in the position where somebody asked for a raise. Before we gave that raise, we thought, "I am not sure if he is worth $7.00 an hour." But with the labor market being what it is, replacing people is not as easy as it used to be. That is why we tend to get subtly blackmailed.

Instead of giving raises to employees you feel may not deserve them, try giving bonuses. Bonuses are a very good way to motivate people and give them their just rewards without locking yourself into a long-term situation. Say, "Okay, if you perform well at the $7.00-an-hour level for the next 30 days, I will count up the number of hours you have worked, and I will give you a retroactive bonus of $1.00 per hour at the end of that 30 days." That gives you an opportunity to avoid giving a raise if the person does not perform. But once you give someone $7.00 an hour, you cannot get them back to $6.00 an hour.

11 **Set up pay grade scales.** We identified grade scales—such as Line Cook 1, Line Cook 2, Line Cook 3, Line Cook 4, Line Cook 5—to avoid being tapped for money every time an employee is in a pinch. Here is how it works. Let's say Line Cook 3 is making $4.00 an hour. He comes to you and says, "I need a raise because I just bought a car," not, "I deserve it because I am doing a great job;" therefore, "You are going to solve my problem by giving me a raise." I say, "This is what you have to learn to do at the next level to be worth that kind of money to me." For the first time, this cook is thinking, "Hey, I've got a way to make more money."

And what happens is that all the people in the kitchen start looking to the next level, start trying to learn. And the people at the level above look down and say "uh oh," and they do a better job.

Over a three-year period we cut down our staff. We now have fewer people, but they are more productive and more highly paid. And that is the key, in my opinion, to low labor costs—highly productive people who are well paid. The greatest sight in the world to me is a $9.00-an-hour line cook, who can put out 400 dinners on a Saturday night, driving a brand new BMW. I love it, because that means he has a car payment, and he is more motivated to stay employed.

12 **Test your job applicants.** We have written tests and hands-on demonstration tests. How many times has a cook come to you and said, "Gee, I am working down the street at blankety blank. I am being paid $7.00 an hour, and I would like to start at $7.00 here." And you ask yourself, "How good is this guy?" If you have a pay grade scale that says $7.00 an hour means a guy should be able to make a hollandaise from scratch, you ask him, "Do you know how to make a hollandaise?" and he says "Yes." Then you say, "Okay, fill out this test. Tell me the ingredients in hollandaise, and, if you can do it successfully, come on over here to the stove and make it."

We have all hired people because they had credentials, but they did not know what the hell they were doing. And then we had a worse problem: How do you get rid of them?

13 **Create a cross-evaluation system.** Over the years, we have heard servers complaining about cooks and cooks complaining about servers. I finally got a bellyful, and I sat down with the servers and said, "Give me your 10 biggest complaints about cooks." And I said to the cooks, "Give me your 10 biggest complaints about servers." And we set up a cross-evaluation system based on these complaints. Each item is ranked on a scale from one to 10. Everyone who has been on the job six months gets to participate. We never reveal the name of the evaluator, but—

Line cook job skills demonstration
Level 3

Demonstrate	**(Check one)**
A. The correct procedure for filling out the inventory sheets, prep sheet, lunch count sheet and dinner count sheet.	☐ acceptable ☐ unacceptable
B. The correct procedure for reconciling these counts to the previous day.	☐ acceptable ☐ unacceptable
C. The correct procedure for issuing older products to the various stations to guard against food spoilage when inventorying all food products.	☐ acceptable ☐ unacceptable
D. The correct technique for cutting a tip sirloin butt, and the correct procedure for filling out the proper paperwork.	☐ acceptable ☐ unacceptable
E. The correct technique for grinding scraps of burger.	☐ acceptable ☐ unacceptable
F. The correct technique for cutting brochette meat.	☐ acceptable ☐ unacceptable
G. The correct technique for filleting the following:	
Salmon	☐ acceptable ☐ unacceptable
Halibut	☐ acceptable ☐ unacceptable
Shark	☐ acceptable ☐ unacceptable
Tuna	☐ acceptable ☐ unacceptable
H. The existing rotation system, so that cooks are issued only enough product to last through the shift.	☐ acceptable ☐ unacceptable
I. The correct procedure for filling out the chalkboard.	☐ acceptable ☐ unacceptable
J. The correct procedure for setting up the line *without* the steam table.	☐ acceptable ☐ unacceptable
K. The correct procedure for setting up the line *without* the toastmaster.	☐ acceptable ☐ unacceptable

Employee name: ____________________ **Date:** __/__/__

Demonstrated to: ____________________ _ **pass** _ **fail**

we do disclose the rating.

The system works beautifully. First, the staff starts thinking about working together. Second, they realize that when they are not nice to each other, it may show up in the six-month evaluations. Third, we can use the ratings in making management decisions.

Thus, when a cook comes to me and says, "I want $8.00 an hour instead of $7.00," the first thing we do is check his or her evaluation reports. We ask, "Does this cook get 'buried' easily? Does he or she care about customers? How is his/her plate presentation? And so forth." For example, if 10 different waitresses have all rated this cook a "3" or "4," I may use that feedback to delay or refuse a raise.

Employee receiving procedure acknowledgement

All products purchased by this restaurant will be received according to the following procedures. Your job depends on **exact** *execution.*

☐ Always check the actual items received against a copy of the purchase order or order sheet. Check for quantity, size, brand, quality, etc.

☐ Always weigh any items that are costed by poundage.

☐ Always physically count any items that are costed by the piece, line, produce, liquors, etc.

☐ If items are not correct, bring the discrepancy to the attention of the driver/salesperson immediately. For substitutions or wrong items, ask the driver/salesperson to initial the copy, then add your initials.

☐ Note the discrepancy on our copies so that accounting can correct its figures.

☐ Completely fill in all purchase information on the invoice register.

☐ Make sure that items are properly marked, stored and rotated.

I understand the above receiving procedure.

Employee signature: ____________________

Date: ___/___/___

14 Charge your employees for the direct costs of meals. Everyone tells me kitchen workers have to be given free meals. That is a bunch of malarkey. Your kitchen manager and maybe your management people should eat free. But, as far as I am concerned, everybody else who works in the operation should pay for his or her meals. Charging our employees for the costs of the meals saved us $17,000 last year, and the concept is very simple.

Here is how we approach it. If you are giving away your meals now, you know what they are costing you. They are probably costing you $2,000 or more each month, not to mention all the mumbo jumbo you have to go through in terms of taxes.

Get your employees together and tell them, "We are running a business here, folks. We can't give away $2,000 worth of food each month. But we are going to give you a 65-percent discount. We will treat you just like you are John Q. Public; we are going to serve you the exact same meals we serve our guests, including the specials, but we will charge you direct cost, not including labor, and not a penny more."

The employees signed an agreement, and the amount of their meals was deducted from their paychecks. I was absolutely shocked at what a great reception the changeover got. The savings were incredible, and the morale went right through the roof.

The workers started eating the same meals that the public did. That allowed them to have a positive mind-set about the menu. They did not have taco salads anymore for dinner, because the typical kitchen manager who's giving away employee meals has the attitude "to feed them as cheaply as I possibly can." And the typical line cook's attitude about employee meals is "I hate to do them." Suddenly, the line cook is saying, "I'm cooking the same thing for everybody all the time."

And it is truly a benefit to have your employees giving you feedback on menu items they love. We have changed so many things because of employee feedback on meals that they could never have afforded otherwise.

15 Tighten your workers' compensation system so you can monitor employee return dates if time is lost from work. We did an audit for a three-year period, and we found that we overpaid for many days of "wage loss" time because we did not know how long it would be before the doctor authorized an injured employee to go back to work. Now, when somebody gets hurt, we fill out the accident report and present it to the doctor with a stamped postcard. When the doctor fills out the postcard and mails it, we know exactly when the doctor says that person can go back to work. And once that day comes, the meter stops running.

16 Implement a voluntary call-in system for your servers. All of you have people in your operation who want to work extra hours. What we have done is to build an "on-call" slot into almost every shift. It is a voluntary system, but it allows us, without overscheduling, to better manage our labor pool.

How many times have you said to yourself: "Last Thursday night, we did 111 dinners. I had three servers, but they lost it there for a while. I better schedule a fourth?" And what happened when you scheduled a fourth server? You did 63 dinners. So you schedule three and have the fourth be an "on-call" person.

This is how our system works: At a prescribed time the on-call employee calls and asks, "Do you need me; do you want me?" If we need the employee, he or she comes in.

We tracked this system for six months; it dropped our direct labor costs by 1.2 percent in the dining room. And it changed the way the host and hostess managed the floor. They had fewer people. They worked it harder. But they always knew that if disaster struck, Sally or David was going to call at 6:00 p.m. and would come in if necessary.

I want to stress that this "on-call" system has to be voluntary. If you require your employees to do it, then you have got to pay them even if they do not work. ❑

FREQUENT DINER PROGRAMS

GETTING CUSTOMERS BACK AGAIN & AGAIN

In 1981, came the frequent flier programs for air travelers. Then, two years later, the hotel industry launched frequent guest programs for hotel patrons. Now, in 1987, more and more restaurateurs are considering frequent dining programs. These programs can reward loyal patrons and play an important role in a restaurant's marketing efforts.

Imagine the following scenario. It is early Saturday evening at the Smith home, and Mr. and Mrs. Smith are discussing where to go for dinner. "Should we eat at our old favorite Restaurant X tonight or maybe try that new place Restaurant Y, which has just opened?" asks Mr. Smith.

"I think we should go to Restaurant X again," replies Mrs. Smith. "You know, we have just 10 points to go until we qualify for our two free theater tickets under their frequent dining program."

Meanwhile, the Smiths' teenage children are debating whether to go out for a hamburger or a pizza. They finally decide on pizza. The reason: One more visit to the pizza restaurant and they will receive a free large pizza the next time they visit.

★★★

The benefits of rewarding loyal customers cannot be underestimated. Restaurateurs have always realized that the repeat customer is important to developing and maintaining a successful operation. With some restaurants suffering from a decline in customer loyalty, the time may be right to borrow an idea which is working in the airline and lodging industries.

Both the airline industry's frequent flier programs and the lodging industry's frequent guest programs have made enormous strides towards developing loyalty among their most frequent customers. These industrywide programs identify and reward those individuals who use their "products" frequently.

Restaurant programs already in existence

Some restaurants have already begun to model frequent diner programs after those in the airline and lodging industries. The 100-seat Hampshire House, which overlooks Boston Commons in Boston, MA, offers a fine dining environment in a turn-of-the-century mansion.

Thomas Kershaw, owner and president of the Hampshire House Corporation, started his frequent diner program more than one year ago and modeled

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Hudson Riehle is research manager for the National Restaurant Association.

by Hudson Riehle

it after the frequent flier programs. Born in the bleak winter months of January and February in an effort to boost sales after a successful fall and holiday season, Hampshire House's Frequent Dining Program now includes more than 100 members. Kershaw views it as a permanent addition to his marketing efforts. He notes that "The program gives us a great opportunity to recognize those individuals that come here often. It has helped us keep our name in front of our best customers and even helps us remember events of special importance to them, such as birthdays and anniversaries."

The program offers a win-win situation since it provides the Hampshire House management with a means to identify its frequent patrons, and it gives guests frequent dining points which can be redeemed for a variety of bonuses at the restaurant. The redemption possibilities include bottles of wine or champagne while dining, free meals and even restaurant gift certificates.

In addition, members of the Hampshire House Frequent Dining Program receive a preference in making reservations as well as free evening parking at the nearby Boston Commons Garage. Members also may take part in the Hampshire House Beacon Hill Wine Society's monthly wine tastings and two special frequent diner receptions at no cost.

The Hampshire House's frequent dining awards are based both on the number of individuals in the dining party and the actual dollars spent by the frequent dining member. For example, a party of four spending $40 would accrue 80 points for the occasion. (Ten points are awarded for each diner—for a 40-point subtotal, and one point is earned for each dollar spent—for an additional 40 points—bringing the total to 80.) With Hampshire House's program, 10 points may be traded in for $1.00 of merchandise, so this one meal occasion ends up producing $8.00 of credit toward future purchases.

Blue Mesa gives club card

Philip Marienthal, owner of Blue Mesa, a Santa Fe-style restaurant in Chicago, IL, started his frequent diners club in 1985. Marienthal says he "wanted to get people here on a more frequent basis. The program has definitely brought us more repeat business. It really has no downside to it."

Unlike the Hampshire House program, which allows frequent diners to

Popularity of frequent user programs grows

When American Airlines originated the first frequent flier program in 1981, no one could have foreseen the long-range effects such a marketing development would have. Today, every major airline and most lodging chains have set up some type of frequent user program to promote customer loyalty.

Hotels and airlines are now in a symbiotic relationship, attempting to funnel specific airline patrons to specific hotels and vice-versa. Their large computer systems are particularly advantageous to maintaining and monitoring the increasingly complex benefits and prizes associated with the programs. Benefit levels are now changing incessantly, and the frequent user programs are a logical alternative to direct corporate discounting. The programs offer a strategic advantage in generating traffic at off-peak seasons and locations.

The programs have become a permanent feature in both airline and hotel marketing strategies, and the potential exists for the foodservice industry to follow suit. In fact, it may become a competitive necessity. Many hotels have already developed their own frequent dining programs since restaurant charges by a registered guest are credited in their frequent guest programs.

However, one cloud looming on the frequent user program horizon is how the Internal Revenue Service (IRS) views the rewards. In the very fine print in the general terms and conditions section of one of the most famous hotel frequent user programs, the user is warned: "Determination of tax liability is the responsibility of the program participant." With one major hotel chain now offering up to $1,000 savings bonds in its frequent user program, this issue is sure to become more controversial in the future.

accrue points based on the number of visits and dollars spent at the restaurant, Blue Mesa diners are presented with a frequent diners club card each time they visit the restaurant. The more cards frequent diners collect, the more complimentary food and beverage items they are capable of receiving. Once five cards are obtained, a diner is entitled to two free dinners and two free margaritas and is eligible to win a grand prize of dinner and theater tickets for two. But even one card can be redeemed at the next visit. One card is good for one margarita or appetizer; two cards are good for two dessert specialties; three cards are good for two margaritas and one appetizer of choice, and four cards entitle the holder to two lunch entrees.

Marienthal estimates that between 30 and 40 percent of Blue Mesa's frequent diner cards are redeemed. He believes the program "has a ripple effect. People who come in to redeem their cards are likely to bring friends with them who, in turn, receive their own frequent dining cards and start collecting them." In addition, the program creates more interaction between customers and waiters. Servers must initial the cards and personally hand them to the guests (instead of leaving them in the folder with the check). At the end of the season, the waiter with the most redeemed cards is awarded a prize. "The waiters have to be part of the promotion in order for it to be successful. This contest creates a friendly rivalry among them," explains Marienthal.

One interesting aspect of the Blue Mesa frequent dining program is that the program is run only at off-times of the year, usually before summer and the major holiday periods. Restrictions limit the time of day, day of week and time of year during which the cards may be redeemed. Frequent diner cards are valid only on weekdays for lunch and Monday through Thursday from 5:00 p.m. to 6:30 p.m.

Whether to restrict the redemption of frequent diner awards is specifically related to what the operator is attempting to gain from his frequent dining program. While Blue Mesa uses its program during slack times, Hampshire House decided not to restrict its members' redemption options. Kershaw observes, "People come here at regular times, and we didn't want to try to force them to alter their schedules."

Caramba validates cards with punches

Caramba, four upscale Mexican establishments located in New York, NY, initiated its frequent dining program in mid-January of this year. Referring to Caramba's "Frequent Biter" program, co-owner Paul Seaman is calling his program "an incredible success. Our customers have responded tremendously. It has reinforced their loyalty to us, and the program is our way to say 'thanks.'" Seaman estimates that between 50 and 60 percent of his patrons participate in the program.

He adds that the enthusiasm for the program is self-generating. "It is a customer-motivated program," he notes, "because the customer wants to take advantage of it." Seaman used to joke with his frequent patrons about getting them a frequent diner card. The joke is now a reality. In addition, Seaman wanted to build more contact between his managers and his guests. The manner in which he structured Caramba's program forces the managers to meet with customers and to validate the frequent diner cards with a special set of punches. With 10 "bites" on the frequent diner card, the holder is entitled to a free entree at any one of the four Manhattan restaurants. Seaman is considering adding a grand prize to the program called, "The Ultimate Bite."

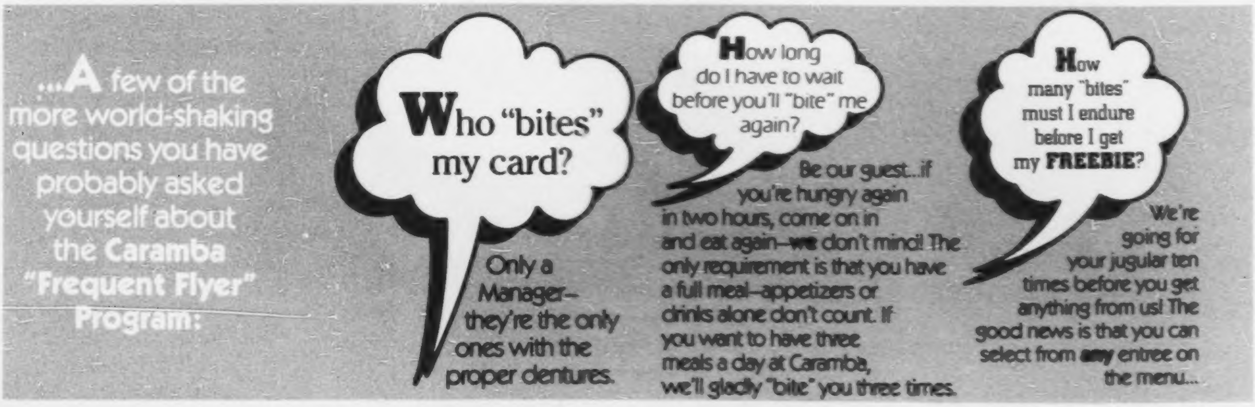
"The 'frequent biter' program basically manages itself now. There is no burdening bookkeeping associated with maintaining a frequent patron's point tally, and the result is that we really have developed a tremendously loyal following, well above our previous levels," notes Seaman. To publicize Caramba's frequent biter program, Seaman relies on his public relations agency, local press articles and radio advertisements.

Blue Mesa's frequent diner program has also had the assistance of a public relations firm to generate additional public interest. Fliers and a free frequent diner card were distributed to selected individuals at major corporations in the Chicago area to promote the program and restaurant.

Thomas Kershaw at Hampshire House reports that he has relied upon "the warm puppy theory of marketing to publicize his program. If diners take our frequent dining program literature back to their offices and report what a wonderful time they had at our restaurant and that they joined our frequent dining program, others will follow. Word-of-mouth is the best form of advertising."

House charge can be program vehicle

Fourways, an elegant continental restaurant in Washington, DC, is using its


...A few of the more world-shaking questions you have probably asked yourself about the Caramba "Frequent Flyer" Program:
Who "bites" my card?
Only a Manager– they're the only ones with the proper dentures.
How long do I have to wait before you'll "bite" me again?
Be our guest...if you're hungry again in two hours, come on in and eat again–we don't mind! The only requirement is that you have a full meal–appetizers or drinks alone don't count. If you want to have three meals a day at Caramba, we'll gladly "bite" you three times.
How many "bites" must I endure before I get my FREEBIE?
We're going for your jugular ten times before you get anything from us! The good news is that you can select from any entree on the menu...

house-charge framework to manage its frequent diner program. Attempting to reduce its patrons' business entertainment tax losses, the house charge card now provides various conveniences, privileges and bonus awards. When a Fourways frequent dining patron reaches $2,500 of expenditures in a 12-month period, he or she is eligible for four "dining invitations" worth an estimated $250. An annual charge of $7,500 entitles the holder to four nights at the Fourways Cottage Colony in Bermuda.

Another variation of the charge concept is the Stouffer Hotels Fine Dining Club, where the redemptions are complimentary accommodations at Stouffer properties throughout the United States. Each dinner entree charged to a specific travel and entertainment card at participating restaurants qualifies the frequent diner for a gold medallion sticker. When the member collects 20 medallions, he or she becomes eligible for a complimentary Friday or Saturday night stay at participating Stouffer Hotels. Higher levels of medallions entitle the frequent dining patron to more luxurious weekends.

Stouffer Hotels originated its Fine Dining Club in 1985. According to Joseph Riley, director of public relations for Stouffer Hotels, "We've found the program to be quite popular with our guests. We foresee running the program indefinitely." There has been no major change in the program since its inception, and it has been promoted principally through direct mail, especially to members of Club Express, Stouffer Hotels' frequent traveler program.

Some questions to consider

The restaurant operator who is considering developing a frequent dining program must determine what his or her major marketing objectives are and how such a program can complement those objectives. Some questions to consider at the start of a frequent diner program are:

☐ What is the major objective of the program? Does it fit in with your restaurant concept?

☐ Will the program run all year long or seasonally?

☐ Will there be an expiration date for reward redemption?

☐ Will there be blackout periods for specific days of the week? Specific meal periods? Specific times of the year?

☐ What type of customers will the program cover?

☐ Will program benefits accrue to the frequent diner or the corporation the individual works for? Or both?

☐ How many members will the program cover? Should there be a limit?

☐ What type of rewards will be offered?

☐ Will the rewards be based upon the number of visits? The total dollars spent? Some combination?

☐ What percent of the rewards do you expect to be redeemed?

☐ How will the points or visits accrued be recorded?

☐ Is there a frequent diner program in direct competition in the area? If so, how might it affect your program?

☐ Is the program flexible enough to be modified quickly?

☐ What safeguards can you build into the program to guard against misuse?

In sum

Despite different structures and reward systems, the current frequent diner programs have a common objective: to separate and identify those customers who are important to the restaurant. At present, frequent dining programs are still limited to only a few restaurants. While major restaurant chains have not entered into the frequent dining arena, they do offer similar techniques, such as games and other various promotional efforts, to increase their repeat business. It is conceivable that some restaurant chains will eventually examine the competitive advantages of instituting their own nationwide frequent dining programs on a permanent basis.

Airline fliers and hotel guests have become conditioned to having their loyalty rewarded, and it is likely that the restaurant industry will not be far behind in its effort to forge new brand loyalty among its frequent patrons. The diversity of restaurants will undoubtedly spawn many equally different and sophisticated frequent dining programs. ❑

HAMPSHIRE HOUSE
FREQUENT DINER PROGRAM
NAME
NUMBER
DATE
AUTHORIZATION

Understanding customer loyalty

One of the major objectives of any frequent dining program is to instill "brand loyalty" in the restaurant patron. But what is brand loyalty and how can a restaurant operator develop it among his patrons?

Most consumers can be segmented according to their loyalty patterns. Restaurant patrons are no exception. Consumer loyalty can basically be divided into four major groups, according to Philip Kotler's book, *Marketing Management*.

The groups are

☐ **Hard core loyals.** This classification would include restaurant patrons who show loyalty to a specific restaurant or chain. Example: a businessperson who eats lunch at the same establishment virtually every working day or a family who frequents the same restaurant every Saturday night.

☐ **Soft core loyals.** Restaurant patrons who are basically loyal to two or three different restaurants or chains would fall into this classification. Example: A couple who usually dines out on Friday night but rotates between several different restaurants on a recurring basis.

☐ **Shifting loyals.** This classification categorizes restaurant patrons who are in the process of switching their loyalty from one or several establishments to new ones. The reasons can be quite varied, ranging from a decline in service to increased use of carryout.

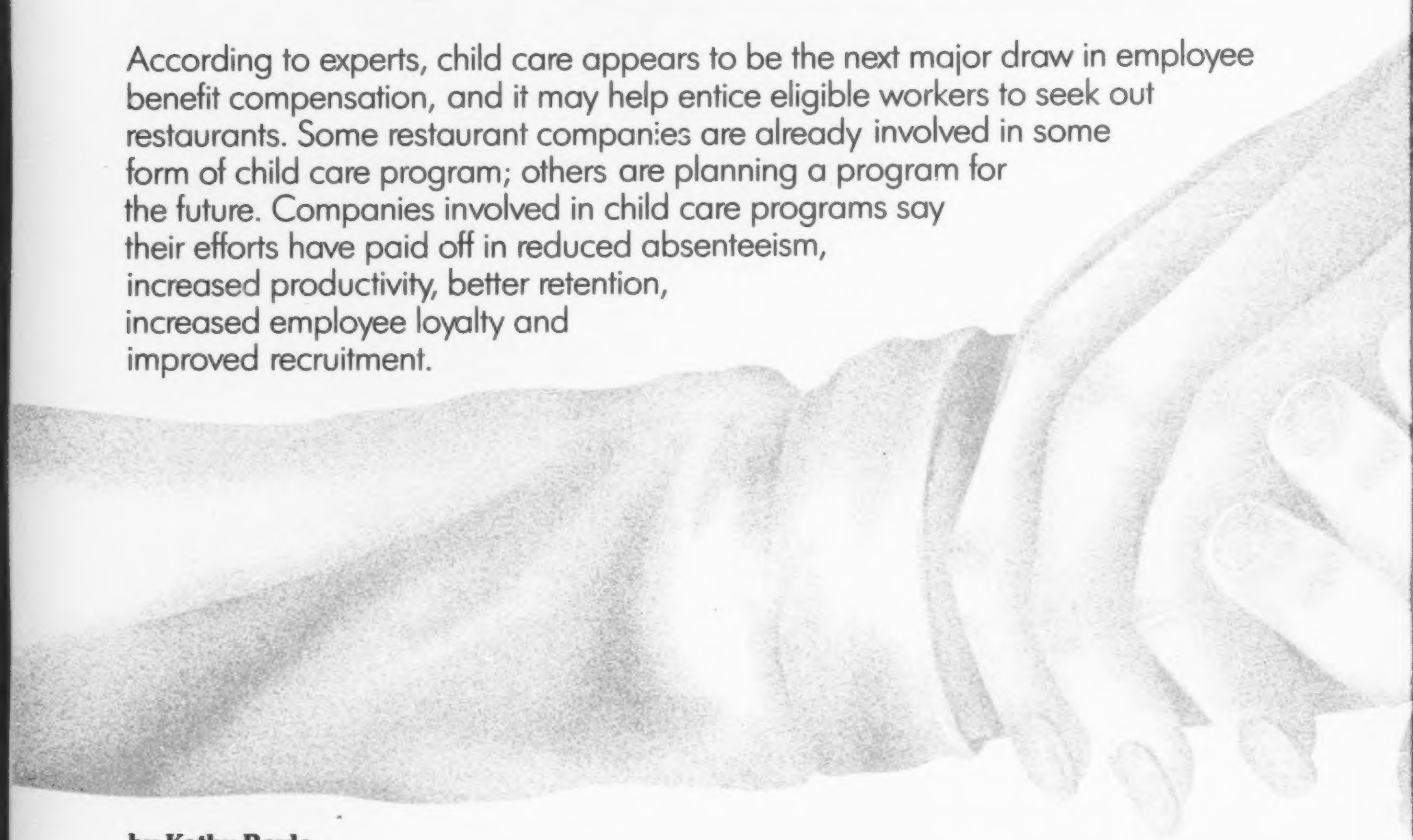
☐ **Switchers.** These consumers show little loyalty to any restaurant or chain. Research has shown these individuals are motivated mainly by price and the persistent desire to try something different.

A frequent dining program is directed to reward a patron's loyalty to a specific restaurant or chain of restaurants. It thanks those patrons who are the hard core loyals. In addition, the program aims to turn soft core loyals into hard cores and increase brand loyalty levels among other individuals.

CHILD CARE

The Fringe Benefit of the 1990s?

According to experts, child care appears to be the next major draw in employee benefit compensation, and it may help entice eligible workers to seek out restaurants. Some restaurant companies are already involved in some form of child care program; others are planning a program for the future. Companies involved in child care programs say their efforts have paid off in reduced absenteeism, increased productivity, better retention, increased employee loyalty and improved recruitment.



by Kathy Boyle

When companies think of child care, what most often comes to mind is the expensive proposition of building and operating a child care center. Although an on-site center may be a viable solution for some companies, there are many less formidable and less expensive alternatives that have been well received by employees. Options include working with local agencies to refer employees to qualified child care providers, payroll deductions for child care, financial support of specific child care centers or underwriting a portion of an employee's child care expenses.

Paying child care expenses

Among the most ambitious child care programs in the restaurant industry are those where employers pay all or a percentage of their employees' child care costs. A Burger King franchisee in Grand Rapids, MI, who operates 23 units and employs approximately 1,200 people, is one of the first people in the industry to pick up the entire tab for day care. The program was implemented in November 1986. "It was developed as a recruitment tool to heighten our public image, but it has since helped reduce turnover. We are very proud of the program," says Jayne Thome, human resources coordinator for Burger King of Grand Rapids. "We knew there were a lot of moms out there who would like to have a job but, because of taxes and child care expenses, it was not worth their while to work. With Burger King paying for child care, we are making it possible for these moms to work. The care is offered between the hours of 7 a.m. and 2 p.m.," says Thome. "We also pay for 15 minutes driving time to and from the child care provider."

In running the program, Burger King works with the local office of Community Coordinated Child Care (4-C), one organization which coordinates individual child care needs with available resources. Currently, 95 percent of the child care providers for Burger King work out of their homes since most

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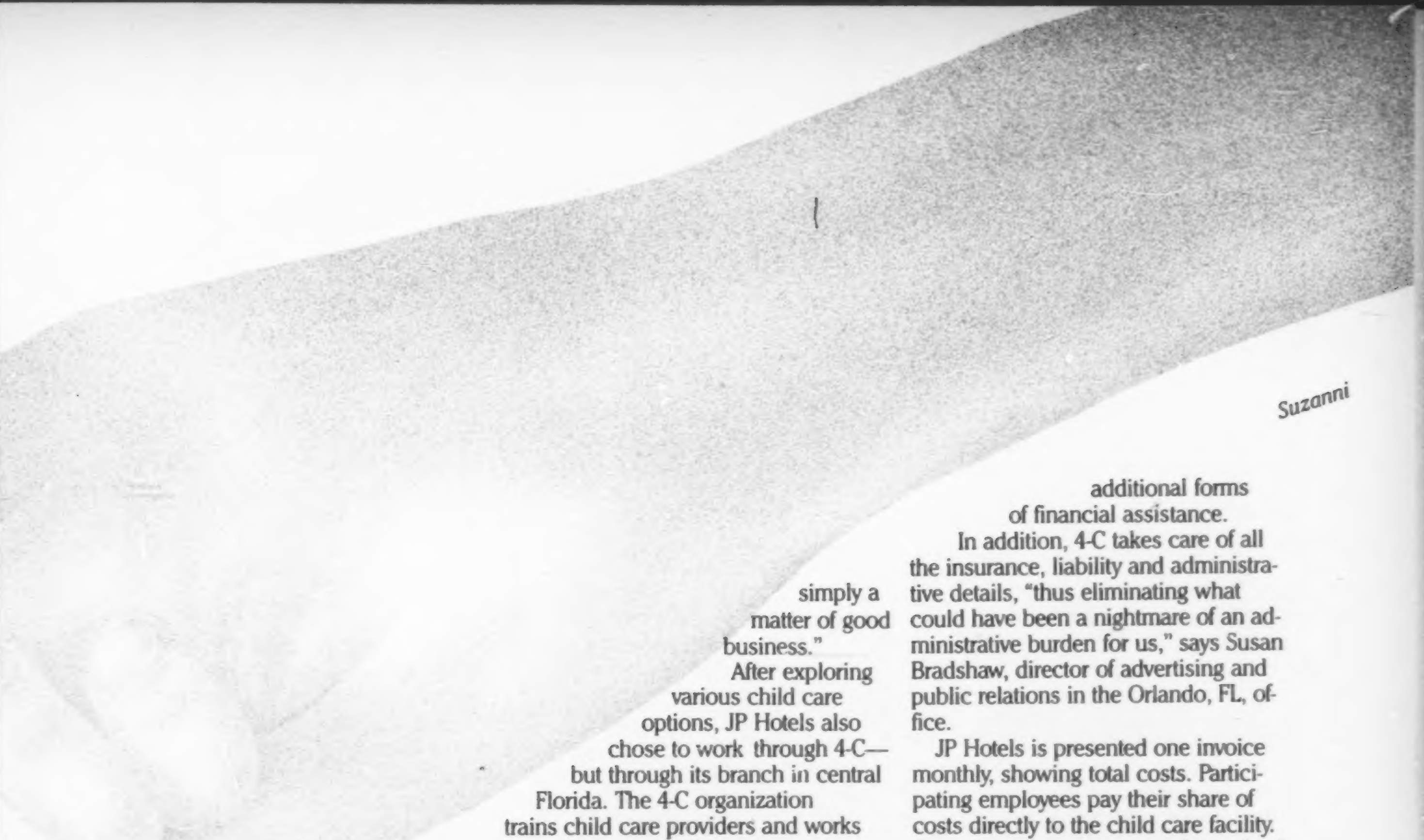

Suzanni

day care centers in the area were already filled when the program was implemented.

All the providers are state-licensed and trained in CPR and/or first aid, and most offer a USDA-recommended snack or lunch program. "These people are professionals," says Thome.

Burger King pays up to $1.50 per hour per family. In most cases this is 100 percent of the cost. According to Thome, there is not much paperwork involved. Providers are paid directly. "I get a time card for each employee and then pay the provider for the eligible hours."

"Not an altruistic goal . . ."

Several other operators pay a percentage of their employees' child care costs. JP Hotels, a 14-unit division of W.B. Johnson Properties, Inc., in Atlanta, GA, has paid 25 percent of the employees' child care costs since May 1984. "Every time we surveyed our employees regarding the kinds of benefits they needed, child care consistently kept appearing at the top of the list," says Larry Martindale, president of JP Hotels. "Solving the child care problem is not an altruistic goal. It seemed to us that an effective child care program is simply a matter of good business."

After exploring various child care options, JP Hotels also chose to work through 4-C—but through its branch in central Florida. The 4-C organization trains child care providers and works with child care facilities that are then certified or approved by the agency. According to Martindale, 4-C contracts with providers at a rate which is as much as 25 percent lower than what would be charged to families walking in off the street. 4-C can then pass this more attractive rate along to the employees of JP Hotels.

The JP Hotels program is fairly comprehensive. Each employee's participation in the child care program starts with an interview with a 4-C social worker at the work site. JP provides the time for the employee interview during regular working hours; 4-C provides the caseworker to determine what child care services are needed. After this interview, the 4-C caseworker recommends several 4-C-approved facilities that meet the identified needs, and he or she can also help employees secure additional forms of financial assistance.

In addition, 4-C takes care of all the insurance, liability and administrative details, "thus eliminating what could have been a nightmare of an administrative burden for us," says Susan Bradshaw, director of advertising and public relations in the Orlando, FL, office.

JP Hotels is presented one invoice monthly, showing total costs. Participating employees pay their share of costs directly to the child care facility. Costs for the employee are determined after any other available assistance has been received and applied, such as federal or state assistance.

"Although our employees benefit from this program, the real benefit is to our productivity," Martindale states.

> "Solving the child care problem is not an altruistic goal. It seemed to us that an effective child care program is simply a matter of good business."

"We have successfully reduced absenteeism and tardiness due to child care-related problems. Reduced turnover, improved productivity plus possible positive tax benefits are just three of the advantages of this kind of program." Martindale explains that whether an operator pays all or some of the cost of child care, he or she should be sure to identify all of the legitimate tax benefits involved—both state and local.

A different version of this approach to child care assistance is offered by Pizza Hut which is headquartered in

Among the most ambitious child care programs in the restaurant industry are those where employers pay all or a percentage of an employee's child care costs.

Wichita, KS. The company limits its child care contribution to a 10-percent discount at La Petite Academy, a nationwide chain of child care centers with several locations close to corporate headquarters.

Referring employees to child care providers

A number of other companies make an effort to refer employees to child care providers. Since April 1986, McDonald's Corporation, headquartered in Oak Brook, IL, has been testing a pilot program in seven of its 30 regions. Known as "Child Care Resources and Referral," the program is coordinated through the McDonald's corporate offices. According to Terri Capatosto, manager, media relations for McDonald's, "We network the local agencies in an area to learn of child care payments, locations and hours. We do a lot of the research for the parents. Then, when we have an employee who needs this information, we combine our research with where they live and with their working hours and come up with three recommendations for them based on locations, services and hours. Of course, we don't decide which one they should take, but we do provide a guide to good firms."

Child care kit

The National Association for Education of Young Children (NAEYC) has developed a kit called "Child Care Makes It Work." The kit describes five child care options for employers and deals with quality in child care selection, providing employers with criteria the organization uses to accredit centers. The five child care options are

1. **Creating or supporting services**
   - ☐ care for sick child
   - ☐ school-age child care
   - ☐ family child care
   - ☐ consortium center care
   - ☐ center at or near business
   - ☐ vacation care
2. **Providing information**
   - ☐ child care resources and referral services
   - ☐ information on parent education
3. **Providing financial assistance**
   - ☐ discounts
   - ☐ vouchers
   - ☐ flexible benefits
   - ☐ flexible spending
4. **Sharing in community solutions**
   - ☐ donations—financial, in kind
5. **Easing time constraints**
   - ☐ flextime
   - ☐ part-time work
   - ☐ job-sharing
   - ☐ work at home
   - ☐ personal leave
   - ☐ parental leave.

The kit is $12; orders for less than 25 copies must be prepaid. For more information about the kit or other information, such as professional child care organizations in your area, write NAEYC, 1834 Connecticut Ave., N.W., Washington, DC 20009.

To run the program effectively takes the cooperation of local McDonalds' personnel. Capatosto explains that McDonalds views this program with much the same attitude as it does its sports and activities programs for youth. "When we go into a community and find they don't have sports activities available for youth, we develop McDonald's sports centers and work with the community," Capatosto says. "It is the same idea with child care. If there are no child care facilities, we will go into the community and recruit and train to create facilities."

Payroll deduction

Several employers are now offering child care as a pretax payroll deduction. Judy Mascio, human resources manager of U.S. Restaurants, Inc., Norristown, PA, which operates 52 restaurants in eastern Pennsylvania and southern New Jersey and employs 3,500, explains that the company recently began offering flexible spending accounts. "The ruling has been around for a while under IRS regulations, but we recently implemented a new benefits program on February 1, 1987, and began offering a child care deduction option. Pretax money is withheld. We put money into an account for employees to reimburse themselves for qualified expenses," says Mascio. "Not too many people have yet taken advantage."

Employees at Burger King's headquarters in Miami, FL, can also choose child care as one designated benefit. "Any of our 600 employees can assign their pretax money for child care," explains Jo Hutcherson, assistant manager of public relations for Burger King. "They can save a little since it is pretax dollars they are assigning to their benefit account."

Child care center debated

A few companies are looking closely at building a child care center on-site. "Our new headquarters is scheduled to open January 1, 1988, and several months ago we did a survey to check the desirability of having a child care facility in the new headquarters building," says Hutcherson of Burger King. "No final decision has yet been made, but, if we do it, a new building will have to be built for the facility. Still, it is one of our top priorities." Hutcherson notes that although the child care would be conveniently located, it would not be free.

Pooling resources?

Some believe that child care may be a problem the industry will want to tackle together. Michael S. Landram, director, human resources for Rax, located in Fort Wayne, IN, says, "I wonder if this is not an area where food competitors can pool their resources to form a cooperative effort—each contributing something toward a day care facility in a central location. In this way, we could offset the cost of such a venture, and, in return for employment, we could cover a percentage of an employee's child care costs. Every company could offer it as a benefit.

"Perhaps with such a benefit we could entice some of the post-baby-boom mothers back into the job market for a three to five-hour shift. With current wages and child care running around $1.50 an hour, they are not encouraged to come to work. If we co-opted the day care and reduced the cost of child care by one-half, we could have a new pool of employees. Everyone would benefit." ☐

RESTAURATEURS FUME OVER MANDATED BENEFITS

PARENTAL MEDICAL LEAVE BILL

by Jay Morris

Restaurateurs are flat-out opposed to the concept of federally mandated benefits. But, unless the National Restaurant Association and its allies can stop it, the Parental and Medical Leave Act (H.R. 925, S. 249), a bill that would force employers to grant extended parental and medical leave to workers, may be passed by Congress.

"The minute the government tells you what to do, you're in trouble," says Gretchen Mathers, in a very typical reaction to the bill. "Pretty soon you'll find yourself giving your employees paid leave, and then you'll have other mandated benefits staring you in the face," explains Mathers, who has three cafeteria-style restaurants in Seattle, WA.

What the bill calls for

The legislation would require employers to provide a worker up to 18 weeks (four and one-half months) of unpaid parental leave in a two-year period for the birth or adoption of a child, or the care of a sick child, and up to 26 weeks of unpaid disability leave in one year for a serious family illness. Businesses with fewer than 15 employees would be exempt from the legislation.

nesses with fewer than 15 employees would be exempt from the legislation.

The most controversial provision—and the one that restaurateurs say would cause them the most headaches—is a requirement that a leave-taker be given back his or her job, or provided a comparable one, when he or she is ready to return to work. In addition, an employer would have to continue to provide company health care benefits during the leave period. The legislation also calls for the establishment of a commission to study the feasibility of requiring employers to provide *paid* leave at some future date.

The bill was introduced by U.S. Rep. William Clay (D-MO) in the House and by Sen. Christopher Dodd (D-CT) in the Senate. Because both Dodd and Clay chair the labor subcommittees responsible for handling their respective bills, the legislation has been put on a fast track. Hearings have already been held in both chambers, and markup of the bills is expected to begin shortly.

The legislation is one of several so-called "mandated benefits" bills now being considered by Congress. With federal revenue sources drying up, these bills look to the private sector to underwrite broad, new government initiatives, such as providing all workers with job-protected leave or guaranteeing minimum health care benefits. The parental leave bill is the first of these measures out of the legislative chute and so far has caused the most apprehension among business people.

Already, employers, who believe the private sector is best equipped to respond to the changing demands and requirements of its workers, have squared off against the bill's supporters—mainly organized labor and women's organizations. Neither side disputes the fact that significant changes in the work force now require that greater attention be paid to parenting and health care. The question is whether the federal government should force businesses to accord special treatment to family responsibilities by mandating job-protected leave for illness or the care of a child.

Restaurateurs clamor against bill

Restaurateur reaction to the bill has been anything but mild. "Totally unfair and unworkable" is the assessment of John Weichman, owner of Weichman's All Seasons' Restaurant in Mobile, AL. "You're just kidding yourself if you think you can replace employees on a temporary basis," says Weichman. "A lot of these positions require specific skills—recipe preparation, cooking and proper presentation and service. You just can't get replacements off the street, and you can't afford to keep extra employees on the payroll just to fill in, either. It's a real 'Catch 22' situation . . . what are you going to do when the

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person on leave is ready to come back? Put the person you've hired in the meantime on unemployment?"

William Saigh, who operates the Lettuce Leaf restaurants in St. Louis, MO, agrees. "Business has to move along—you have to fill a vacancy or you go down the drain. You just can't hold these jobs open," he says. "In the restaurant industry, the jobs can be very dissimilar, which makes it just about impossible to fill a job temporarily."

Roger Kirwood, president of Fitzwilly's, New Haven, CT, calls the proposal, "The straw that could break the camel's back." Others say they believe the bill could end up hurting the very people it is supposed to help because employers would be leary of hiring pregnant women or someone with a bad health history.

Small operators are worried

Opposition to the bill has been especially intense among small operators and independents, who believe they have the most at stake if the legislation becomes law. Denise Fugo, who operates two restaurants, Sammy's and the 10th St. Cafe and Wine Bar in Cleveland, OH, called the proposal "anti-small business" when she spoke against the bill during a March hearing before the House Labor Subcommittee on Labor-Management Relations.

Fugo presented testimony on behalf of National Small Business United, a small business trade association. She says small operators are worried that Congress will use "the back door to enact more social initiatives" and look to employers to "shoulder the entire burden. Small employers, who often find it difficult to absorb or pass on significant increases in operating costs, could be left with no option other than to offset any federally mandated increase in labor costs with a similar decrease achieved through wage reductions or freezes, reductions in other fringe benefits or even layoffs."

CARE group fights mandated benefits

Last December, the National Restaurant Association, other trade organizations and several U.S. firms formed the Concerned Alliance of Responsible Employers (CARE) to lobby against mandated benefits legislation and to promote the current voluntary system of determining what benefits to offer employees.

Membership in CARE now numbers 150 and includes a wide range of employers and trade groups. As one of the founders, the National Restaurant Association has played a key role in CARE's development as the leading voice for employers on issues concerning benefits. The association serves on CARE's steering committee and heads the group's legislative committee.

In recent months, CARE has testified against the parental and disability leave act, voicing its opposition to the bill in numerous visits with members of the House and Senate and at organized grassroots meetings with targeted members of Congress.

CARE's message to Capitol Hill is that it is better to encourage benefits than to require them. The group emphasizes that flexibility is the key to satisfying employees' benefits needs. CARE also sees the issue of mandated benefits as part of the bigger question of U.S. competitiveness. It asks Congress not to tie the hands of employers who are trying to compete more effectively with other countries.

May 19: CARE phone-in day

Restaurateurs can help CARE get the message to Capitol Hill on May 19 when CARE conducts its first "phone-in day" on the mandated benefits issue. CARE is asking all its member organizations to urge their members to call their U.S. representatives and senators and express opposition to the Parental and Medical Leave Act (H.R. 925, S. 249). If you would like to help, simply call the U.S. Capitol switchboard at (202) 224-3121 and ask for your senators and representative. Tell them you are calling on behalf of CARE and that you oppose H.R. 925 and S. 249.

Large companies concerned about reinstatement clause

Small firms may be especially hard-hit by the bill, but large companies are equally concerned about its effects. Bob Dankmyer, director of employee benefits for Marriott Corporation, headquartered in Bethesda, MD, says that "Among the people I talk to in the industry—and these are all large employers—the reaction is the same: they don't want mandated benefits, no matter how well-intended.

"Our major problem is the requirement that an employee be reinstated when he or she is ready to return. As a practical matter, we already allow Marriott employees a leave of absence of up to one year. When they want to come back, we give them first consideration for openings for which they are qualified. But we can't guarantee them their old jobs. There just isn't any fat in our payroll. When someone leaves, even if it's just to go on vacation, we have to adjust schedules. We can't just hold that job open."

Dankmyer adds that "qualified replacements will be tough to find, especially if they know they won't be able to stay on after the leave-taker returns. We'll also have the added cost of training these replacements."

Bill could cost private sector $27 billion

Exactly what effect the bill would have on the economy is difficult to determine, but the U.S. Chamber of Commerce asserts that it would cost the private sector $16 billion for parental leave and another $11 billion for disability leave, for a total cost of $27 billion. According to the Chamber, the largest costs incurred by employers would be the cost of hiring temporary replacements for workers who are on leave and the lower productivity that would result from replacing regular employees with temporaries. However, the Chamber's estimates are considered too high by many observers and have carried little weight in Congress.

"No study I've seen indicates there will be any great additional cost," says Sen. Dodd. In fact, he argues the opposite is true. "Companies who have already instituted parental leave policies find they are better able to attract workers and increase their productivity and at the same time decrease

> **"A lot of these positions require specific skills—recipe preparation, cooking and proper presentation and service. You just can't get replacements off the street, and you can't afford to keep extra employees on the payroll just to fill in, either . . ."**

absenteeism and turnover," he says.

To get a better handle on expenses associated with the bill, Dodd has asked the Government Accounting Office to arrive at an impartial estimate of how much it would cost. That study is now underway.

U.S. work force is in transition

The seeds of the legislation lie in dramatic changes that have occurred in the U.S. work force in the last decade—namely, a significant increase in the number of working women. Men and women are now in the work force in roughly equal percentages, and close to half of all mothers with infants under one year of age hold a job. According to recent estimates, 90 percent of all working women are likely to become pregnant at some point during their childbearing years.

Added to this trend is the alarming increase in the number of single-parent households due to the rising divorce rate and number of out-of-wedlock births. Today, less than 10 percent of families are couples with children where the husbands are sole providers.

"Unfortunately, this new economic environment has taken its toll on the American family," says Clay. "Currently, there is no protection for workers who need leave for certain family or medical responsibilities," Clay says. "Workers require minimum job protection when they are needed to care for a newborn or seriously ill child or parent."

Clay claims that his legislation "goes to the cause of the stress felt by families. It provides a floor of protection." Clay and his supporters believe job-protected leave should be a right accorded all employees. At present, only minimum wage, unemployment compensation and Social Security are mandated by the federal government.

United States law does prohibit discrimination in employment on the basis of pregnancy. Employers are required to grant leaves to women unable to work due to pregnancy and childbirth on the same basis that leaves are granted for short-term disabilities of any kind. In addition, nine states (CA, CT, HI, KS, MA, MT, NH, OH and WA) have adopted laws guaranteeing some form of job-protected maternity leave.

Restaurateurs prefer voluntary system

Restaurateurs believe that employees are best served, not by a mandate from Washington, but by the voluntary benefits system currently enjoyed by employers and employees. "If you're a responsible employer, you'll make arrangements with your employees—maybe better than what the feds would mandate," Mathers says.

"I'm very open to working things out on a case-by-case basis," she adds. "I've only had one experience with an employee who had to take maternity leave. She was a very valuable employee, and I would have been thrilled to have her come back, but she didn't want to return."

"We deal with our employees every day, person-to-person," says Stephen Barba, president of The Balsams, a resort hotel in Dixville Notch, NH. "We know what they want; they know what we want—together, we all want a successful business. What is best for the future success of this business is determined by management and staff together. We do not need government interfering with this relationship."

Other operators have similar stories. "We have two people out now. A manager and I have been filling in," says Saigh. "We provide maternity leave, and we continue medical care while they're out. Good employees are hard to find, so there's an incentive to hold onto them, to try to accommodate them." Says Weichman, "Everybody works together when someone is out. My policy is that anyone on leave gets a chance at the first opening when he or she is ready to return. Sometimes we can cover for them, especially in the slower seasons. Usually, they have ended up with their old jobs."

A number of studies show that most employers have instituted some type of policy to accommodate family responsibilities. Among such programs are alternative work schedules, flextime, reduced workweeks, job-sharing, part-time employment, employee-assistance plans, day care and day care subsidies and vouchers. One survey shows that almost all (95 percent) of the Fortune 1500 companies already provide parental and disability leave.

Mandate stifles flexibility

Many operators fear that the legislation's strict mandate would stifle the trend toward flexible benefits, or so-called "cafeteria" plans, which have worked well for both employers and employees. A typical cafeteria plan allows an employee to tailor a benefit package to his or her personal needs, choosing from a group of benefits that may range from child care services to a retirement plan. But the legislation would require employers to make parental leave a fixed benefit, even if very few employees have use for it.

Employers already spend an average of 40 percent of their payroll costs on benefits, so it is very likely that a business faced with a new mandate would have no choice but to limit the range of benefits it offers. According to U.S. Rep. Dick Armey (R-TX), an opponent of the bill, "A mandatory parental leave benefit would not increase the size of benefit packages, but rather limit the size and number of other benefits.

"We ought not ignore the costs to those employees who have no need for or cannot afford to take advantage of the parental-leave option but would be required to carry the load for those who do," he says.

Armey is not alone in his opposition to the bill, and, with a strong show of strength from the business community, there is a chance the bill will not survive a floor vote. ❑

by Cecelia Niepold

Although designing a restaurant can be an involved, often intimidating task, not all restaurateurs turn the job over to professional designers. Some prefer to take on the task themselves, believing a restaurant's personality is best communicated by its owner.

For these do-it-yourself restaurateurs, the rewards of bringing their concept to life exactly as they envision far outweigh the risks of possible design mistakes. "A restaurant is a personal statement; it should have a kind of soul," explains Danny Meyer, who designed his 120-seat Union Square Cafe in New York, NY. "If you hire someone else to create the design, you lose that."

Jim Bernstein, president of Bensons, Inc., a four-restaurant operation in the Cincinnati, OH, area, agrees. "A designer isn't necessarily going to design what the operator wants to achieve," he says. "The lighting, seating density and overall ambiance are all part of the statement an operator wants to make, and it is important that an owner control those ideas."

More control

Besides ensuring just the right ambiance, restaurateurs often design their own establishments because they want to maintain control over the practicality and cost of the design. "Decorators decorate; they don't necessarily build for comfort or functionality," says Kevin Connell, owner of the Yellow Brick Bank in Shepherdstown, WVA, and The Grill at Portsmouth Harbor in Portsmouth, NH—both of which he designed himself. "I've gone to some wonderful looking restaurants with horribly uncomfortable chairs," says Connell.

Jim Bernstein explains why this can happen. "Designers are often more concerned with how something is going to look, not how it works," he says. "They may not address potential problems, like service areas which are not pretty to look at, but are important to think about."

Designing your own restaurant can also mean having more control over the design costs. Working directly with the prices of wall treatments, chairs and other elements can help an operator make more informed purchasing decisions. "I have definitely saved money doing it myself," says Connell. "A designer might have sold me on some things I really didn't need."

How operators handle the design process

Because each restaurant and its owner(s) are different, there is no set formula to design the perfect restaurant. Most restaurateurs who have successfully designed their own establishments do agree, however, that the first step is to develop a clear idea of the look you want to communicate. Exactly how you formulate that idea can vary. Here is how three restaurateurs met the challenge.

★ **Union Square Cafe.** Danny Meyer had neither design nor restaurant experience before developing his own restaurant. What gave him the confidence to tackle the design was simply learning from others. "My res-

DO-IT-YOURS

Daniel Eifert

Carefully chosen design elements, such as the Italian-influenced archway over the front door, the welcoming mahogany bar and splashes of provocative art, create a distinctive atmosphere at Union Square Cafe.

Cecelia Niepold is managing editor for **Restaurants USA.**

taurant and its design is the culmination of a lot of years of passionately going out to restaurants and developing my own feelings of what I liked and what I didn't like," he explains.

Drawing from his "on-site research," he decided he wanted to create a restaurant with a "timeless appeal, a look that would still appear fresh 20 years from now." He also gained an appreciation for the importance of detail. Consequently, his restaurant includes classic elements, such as wainscotting, cherrywood floors and a mahogany bar, surrounded by splashes of provocative art and architectural details, such as the Italian archway over the front door. "I knew I wanted to have quality details and artwork," says Meyer. "Together, they emphasize what I wanted to convey with the menu and wine list—a kind of comfortable quality."

Meyer hired a contractor and an architect to carry out his vision. "I didn't have the technical skills to do things like knock walls out," he laughs. "But I explained what I wanted, and they made it happen. If a certain fixture wouldn't work, they showed me options that fit the look I was trying to find."

Meyer admits it wasn't easy. "Sure, I made some mistakes which probably cost me some money," he says. "But, in the long run, I think it was worth it." Although it was a challenge, Meyer wouldn't have done it any other way. "I wouldn't want customers to walk in and know the place had been designed by an architect. I think people can really sense the care and detail that went into it."

★ **The Grill at Portsmouth Harbor.** Kevin Connell didn't have any design training either, but he knew one of his top priorities was to make patrons feel at home in his 105-seat waterfront restaurant in New Hampshire. "Owners have a real obligation to make the customer comfortable," maintains Connell. "That's where I started from."

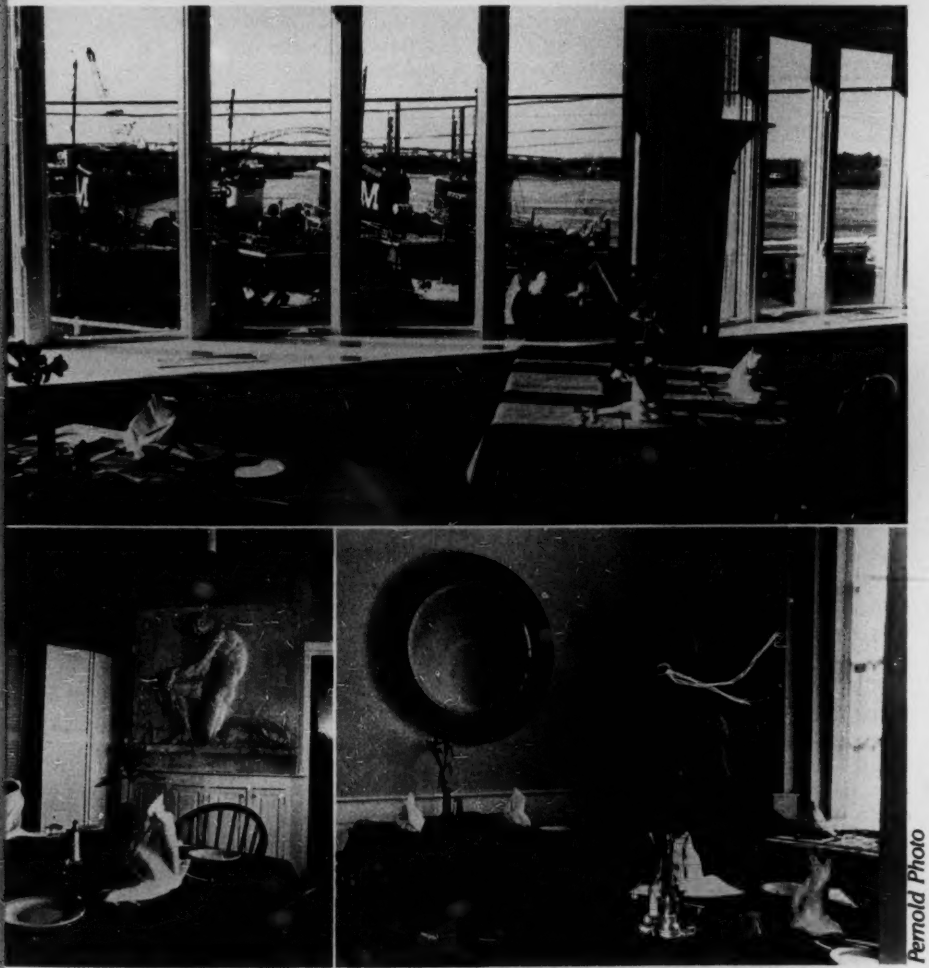
To create the restaurant's look, Connell started with a basic philosophy that "everything the customer touches must be top quality." Consequently, his first decision was to use triple-plated silver dishes, reminiscent of old hotel serviceware, on his tabletops. From there, he decided to use dark-green tablecloths to richly contrast the silver and to echo the dark-colored tugboats anchored outside the restaurant's windows. Because he also likes primary colors, he chose bright red condiments and ashtrays.

Another aim was to make the wall of windows overlooking the harbor the focal point. Consequently, the only other decoration in the room is the wall treatment—salmon-colored walls to warm the space and a light blue ceiling to add height to the natural wood beams.

Although Connell made most of the design decisions himself, he did ask a decorator to double-check his ideas. "There are some color rules you just shouldn't break," he says, "and I wanted to make sure I wasn't violating any." He admits he has made some color errors along the way, but maintains that the experience has improved his understanding of the design process.

Connell is glad he designed his own restaurant and recommends it to others. "Everyone has a different style of restaurant," he says. "If owners participate in the design, they will feel more

ELF DESIGN



Pernold Photo

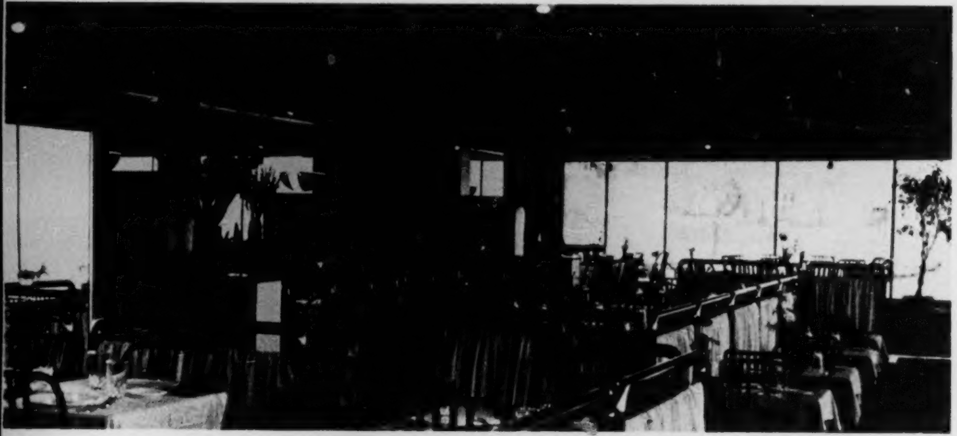
Subtle decorative accents, such as a porthole-shaped mirror which creates a "window effect" and an unusual plaster relief, add personality to The Grill at Portsmouth Harbor without detracting from the design's focal point—the wall of windows overlooking the harbor.

comfortable in the restaurant because it is designed around their own experience and approach."

★ **Crockett's and the River Cafe.** Jim Bernstein's family has been in the restaurant business for years. With three restaurants in operation, Bernstein had the confidence to orchestrate the design for the most recent concept, a 350-seat, modernized riverboat on the Ohio River. Bernstein gathered his ideas from many sources. "I consciously looked for elements," he says. "I leafed through magazines to see what was new and went to a lot of restaurants to see how people were creating different moods."

Taking advantage of the restaurant's panoramic view of the Cincinnati skyline, Bernstein decided to turn the front walls into one huge window and to mirror the rear walls, so all patrons could share the view. Small beams of light centered on each table provide the only illumination, again to create an interesting glittering effect, much like the lights of the buildings across the river.

Bernstein did ask a professional for help with the architectural plans and with tracking down certain design elements. "I'm not an interior design student," he says, "but I do know what the major components should look like."



During the day, walls of windows and mirrors create a bright airiness at Crockett's and the River Cafe, while at night the lights of the city and the ceiling spotlights produce a dramatic, sparkling effect.

Is do-it-yourself design for you?

Designing a restaurant can be a difficult process. Unlike a menu, wall treatments or carpets cannot be changed easily if they don't work. Some restaurateurs may simply be more comfortable letting professionals coordinate the design plan. "I don't think designing a restaurant is for all operators," says Bernstein. "Some people just aren't sure what they want, and it is easier to let someone else's eyes make the decisions."

Whether you choose to do your own restaurant or not, it is still a good idea to become as involved in the process as possible. As Jim Bernstein says, "Designers are going to design the restaurant once. It's the operator who has to operate it for years." ❑

PROTECTI

Restaurant owners and managers are sometimes surprised to learn they can protect the design and packaging of their restaurant operations by using the laws of trademark and trade dress. These two kinds of law are similar in that they constitute two kinds of intellectual property law which protect the image of a restaurant. First, the trademark law allows the building design to be registered as a service mark in the U.S. Patent and Trademark Office. Second, a competitor who pilfers a restaurant's unique packaging design, or trade dress, can be stopped through the use of an injunction.

A building design can be registered

A trademark is a mark that represents the source or origin of goods or services. A service mark is a special kind of trademark used when an owner is selling services, such as in a restaurant. A service mark can be registered in the U.S. Patent and Trademark Office in the same manner as any other mark. For example, registration of a building structure as a service mark under the federal trademark statute (typically referred to as the Lanham Act) gives a restaurant owner strong protection and ample weapons against copiers who attempt to use the same design for their own restaurants.

The interior packaging can be protected

If a restaurant owner wishes to protect the "packaging" or design of the inside of the restaurant, he or she can turn to trade dress law. Trade dress law is an area of intellectual property law that is similar to trademark law because it protects property that an owner has chosen to represent his or her product or service. The trade dress of a product involves the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics or even particular sales techniques. A restaurant's trade dress typically includes the shape and general appearance of the exterior of the restaurant.

If a restaurant adopts a particular trade dress—for example, one that consists of colored candy canes around the windows and doors, aug-

NG A RESTAURANT'S IMAGE

Trademark and Trade Dress Law

by John W. Hazard Jr.

mented by two marble reindeer on either corner of the front of the building—and a competitor opens a restaurant with the same trade dress, a court will ask whether there is a likelihood of confusion between the two trade dresses. The court will inquire: "Are consumers likely to choose one restaurant under the mistaken assumption that the restaurant services are being provided by a party other than the one actually providing them?" Once a restaurateur has established that the trade dress has a secondary meaning—that consumers will recognize the restaurant simply by looking at the particular trade dress and will thereby distinguish it from other establishments—and that the competitor's trade dress will create a likelihood of confusion, a restaurant owner may enjoin the competitor from using that trade dress.

If there is no secondary meaning to the trade dress, then a restaurant owner will suffer no harm if someone imitates that particular trade dress and the law will not act to stop the copying.

An equally important question that courts are forced to come to terms with in trade dress cases is: "Which individual features of a restaurant owner's claimed trade dress are really protectible as trade dress?" To determine the answer to this question a court will divide the features of a particular trade dress into "functional" and "non-functional" features. The non-functional features are protectible as trade dress, but purely functional features are not protectible.

Trade dress cases involving restaurants

There are some interesting trade dress cases involving restaurants. Recently, a Washington, DC, restaurant, Mr. K's, succeeded in stopping a competitor from adopting a restaurant trade dress that was similar to the one being used by Mr. K's. This is the case of *House of Hunan, Inc. v. Hunan at Pavilion,* 227 U.S.P.Q. 803 (1985).

The facts of this case are as follows: In February 1983 the owner of Mr. K's restaurant placed large, white marble lions in front of his restaurant. The owner spent large amounts of money to promote the restaurant through paid advertisements that displayed pictures of the lions. In 1985, another restaurant, the Hunan Rose, purchased identical lions and proposed to place them in front of its operation less than 150 yards from the front door of Mr. K's.

Mr. K's brought suit seeking an injunction to prohibit the Hunan Rose from using the lions in this manner. The owners of Mr. K's won the case because they proved that the placement of lions in front of the Hunan Rose would be confusingly similar to the placement of lions in front of Mr. K's restaurant. The court held that the extremely close proximity of the two restaurants (as well as the past practice of the defendant to associate its other restaurants with Mr. K's restaurants) demonstrated a very strong likelihood of customer confusion. Because of this, the Hunan Rose was prohibited from displaying its large white marble lions in the restaurant's entranceway.

It is interesting to note that, in its opinion, the court recognized that Mr. K's might have acquired *trademark* (i.e., service mark) rights in the lions. In other words, if Mr. K's were to have registered the lions as service marks in the U.S. Patent and Trademark Office, it could have sued not only for trade dress infringement but for redress under the trademark statute as well.

Another interesting trade dress case is *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.,* 225 U.S.P.Q. 133 (1984). In this decision, the court listed a number of items which could not be considered trade dress for a restaurant. The case is interesting because it contains a very good discussion of trade dress in restaurants. The court noted that restaurant trade dress is typically more complex than that of a simple consumer product. The language from the opinion in that case is instructive:

> "The trade dress as a whole is undoubtedly a unique combination of functional or non-functional, unique or non-unique components. No two restaurants will have identical trade dress. In addition, trade dress when taken as a whole has the primary purpose of identification even though it may provide incidental functional benefits."
>
> *225 U.S.P.Q. 134*

The judge went on to find that 18 elements of the claimed trade dress were functional (adding to the "efficiency, quality and sanitation of the restaurant") and therefore were non-protectible. As a result, competitors of the restaurant involved in that case were free to copy those particular features of the restaurant.

The so-called functional items were

☐ glass enclosed butcher shop
☐ visible in-store bakery
☐ bakery showcase
☐ use of white tile
☐ use of neon signs for identification of stations
☐ use of beer trays for serving food
☐ use of plastic trash can for iced tea
☐ use of an exposed grill
☐ inclusion/location of bar
☐ ice cream manufacturing area and display case
☐ meat display case
☐ crocks for dispensing melted cheese (exclusive of shape or color)
☐ large, self-serve condiment bar
☐ institutional-size salt and pepper shakers
☐ warehouse lighting fixtures
☐ ceiling fans
☐ menu currently provided by plaintiff
☐ displayed hanging sides of beef

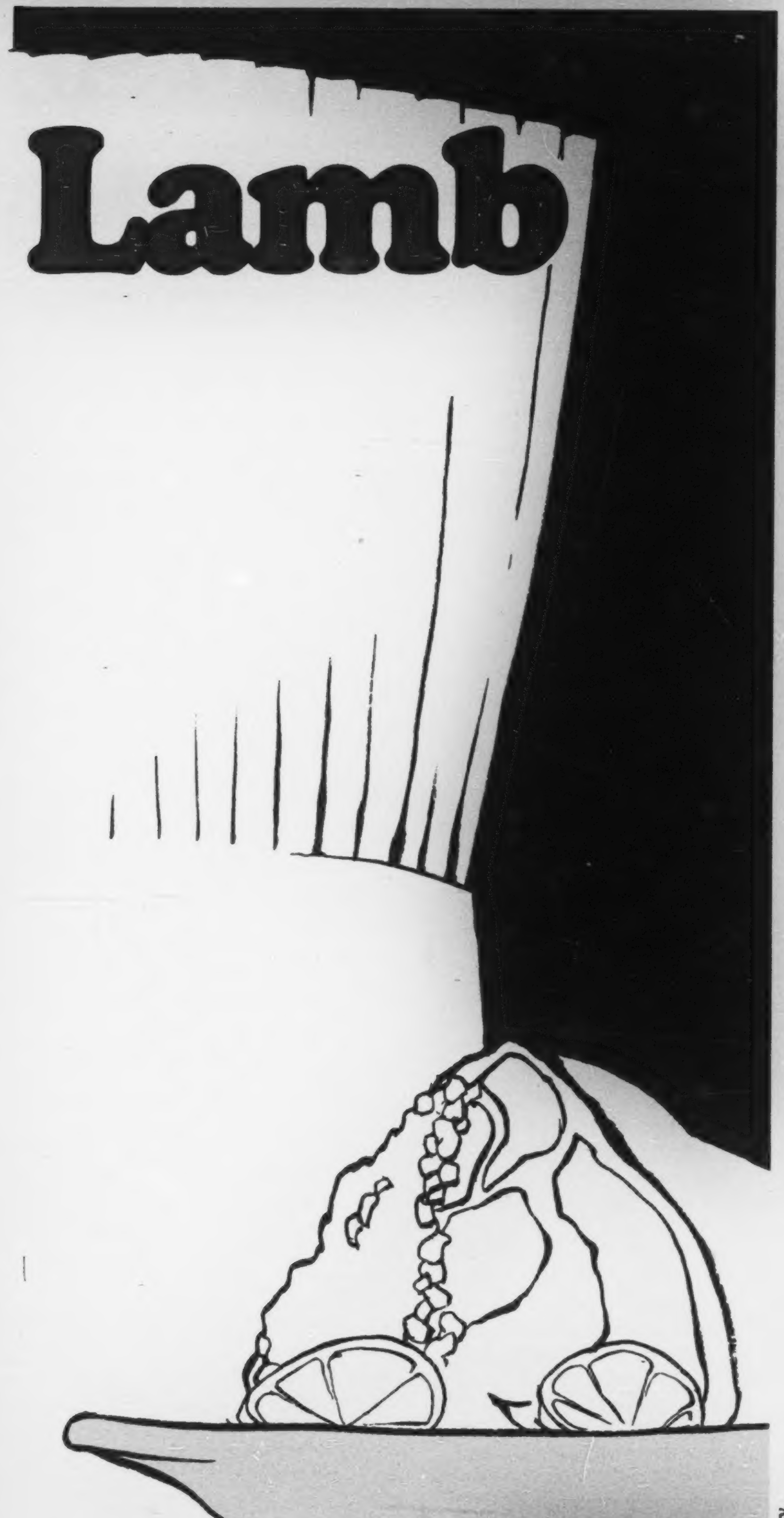
225 U.S.P.Q. 135

In sum

There are many issues in the typical trade dress case that may affect the ability of a restaurant to obtain an injunction. Though an injunction is not a remedy that will always be available, trade dress is an important legal tool that can be of incalculable help to a restaurant in protecting its image. All restaurant owners and managers should, therefore, be familiar with the basic nature of this useful category of intellectual property law. ❑

John W. Hazard Jr. is a partner in the Washington, DC, law firm of Webster, Chamberlain, Bean & McKevitt.

Lamb



Sherrill Medbury

Restaurants Lead the Way

More Americans are discovering delights of lamb as chefs make use of the nutritious meat in unusual ways.

by Rose Dosti

Lamb had only a brief period of popularity in the '30s and '40s, before the advent of cattle feedlots in America and before grain-fed beef developed the marbling that enticed Americans away from all other meat, according to Polly Hayes of the American Lamb Council in Denver, CO.

Since then, lamb has had little chance of luring Americans away from beef—a robust 97.1 pounds per capita consumption of beef (as of 1985), compared with lamb's measly 1.5 pounds per capita (as of 1986).

The lamb industry has remained deadlocked for the past 10 years, with neither any dramatic increase nor decrease in production or sales. According to the latest U.S. Department of Agriculture and Department of Commerce production figures, lamb production remains steady at 6.3 million heads, compared with 36.6 million heads for beef cattle sold to market. In addition, lamb from New Zealand and Australia, which has not found high acceptance by Americans because of its small size and gamy flavor, is sold in amounts of about 35.4 million pounds yearly to American markets.

The lamb industry, in fact, has had a difficult time combating misconceptions about lamb. "The most objectionable thing about lamb, according to consumers, is that it has a gamy odor, which is why we recommend cooking lamb at low temperatures to prevent lamb fat from burning," Hayes says.

Cooking lamb hasn't come easy, ei-

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ther. Indeed, Americans prefer eating the lamb served in restaurants rather than having to figure out how to cook it at home, as one study reported by the American Lamb Council indicates.

Restaurants lead the way

But things are looking up for lamb. You can almost hear the drums roll when you open a menu in today's top-flight restaurants and find lamb featured with flair and imagination never before seen. In the old days, few of the best continental restaurants dared to stray from lamb chops or rack with mint jelly.

Restaurants, in fact, have done for the lamb industry what the lamb industry could not do for itself—inspire home cooks to try their hands at this little-known, but highly desirable meat.

"Restaurant usage holds great potential for use of lamb or for consumers trying it out for the first time," a recent American Lamb Council study points out.

Actually, about three in 10 households remember eating lamb in restaurants in the last year," says Hayes of the lamb council.

But concern about health is probably an even more potent force in the changing attitudes toward lamb today.

A consumer tracking study prepared by Keith Murphy and Associates, an independent marketing company in New Jersey, shows that health concerns have begun to turn more Americans to lamb. "Nutrition is a powerful positioning" for the use of lamb in the future, the study said.

Three ounces of lamb contain 176 calories, compared with 192 for beef. Cholesterol, however, remains comparable to that of beef.

Trimming the fat

"Most of the fat on young lamb, which is the only lamb sold in markets today, can be trimmed off, thus reducing fat and cholesterol content, while much of the fat in beef is inherent in the marbling," Hayes says.

Because lamb is a tender meat, it can be prepared using methods that don't call for added fat. Saturated fat makes up 56 percent of the fat content in a three-ounce lamb serving that has been trimmed of fat. The remaining 44 percent is polyunsaturated.

Another attractive nutritional feature is that it is nutrient-dense, meaning it has a large share of nutrition for a low share of calories. Like beef, lamb is an excellent source of high-quality protein, vitamin B-12, riboflavin, niacin, iron and zinc.

Some experts believe that lamb, basically a foraging animal with low maintenance and feeding needs, will dominate the meat market as land for both keeping beef and growing grain becomes more scarce. Today's lamb, however, is both grain and grass-fed, with no appreciable difference in flavor or quality.

Chefs with new ideas

The British gave Americans their initial culinary appreciation of lamb with their love of mint jelly as a seasoning and garnish. And there culinary experimentation remained glued until an international influx of chefs in recent years introduced new ideas for ways of preparing, presenting and enjoying lamb.

ORANGE GLAZED LAMB SHANKS

Serves 4

Ingredients:
4 lamb shanks
Flour
Salt, pepper
2 Tbs. oil
3 cups water
1 cup orange juice
2 Tbs. lemon juice
1 Tbs. soy sauce
1 cup chicken bouillon
2 Tbs. brown sugar
2 Tbs. cornstarch
½ tspn. garlic salt
⅔ cup finely chopped carrots
¼ cup chopped green onions
Hot cooked rice

Method:
Dredge shanks in flour, salt and pepper. Brown on all sides in hot oil. Add water, cover and cook over low heat one hour or until meat is almost tender. Drain.

Combine orange juice, lemon juice, soy sauce and bouillon with brown sugar, cornstarch and garlic salt. Add to lamb with carrots and green onions. Simmer over low heat, stirring, until vegetables are tender-crisp and sauce is translucent. Serve over hot rice.

Today's restaurants are not only serving choice cuts imaginatively, but lesser lamb cuts as well. At City restaurant in Los Angeles, CA, for instance, lamb shanks are served with noodles cooked with exotic seasonings. Gordon Drysdale of Philippe Philippe restaurant in Los Angeles prepares filleted rack of lamb medallions similarly to pepper steak and serves the medallions with cabbage seasoned with horseradish and caraway seeds. At Bistango in Los Angeles, chef Dale Payne adds a bourbon sauce to a deviled rack of lamb, and at Chianti/Cucina in Los Angeles, executive chef Antonio Tomasi features lamb in ragouts, pasta sauces and unusual sautes.

A recent influx of Southeast Asian chefs has been tempting palates in California with such culinary delights as lamb satay and curries adapted from East Indian settlers. Indian settlers to the United States have left their mark with interesting and spicy lamb curry dishes and other meat and vegetable concoctions.

Door opened for rare lamb

Perhaps it was the recent move by professional French chefs to the United States that has most helped to open the door to a taste for exotically prepared lamb cooked rare, usually as medallions, racks or chops.

Most French preparations call for sauces, which are sometimes surprising fruit or liqueur concoctions.

Greeks. who have probably contributed greatly to the appreciation of and education about lamb in this country, serve lamb whole or by the leg with plenty of garlic and herbs.

Contrary to misconceptions, today's young lamb is available all year, thanks to year-round breeding techniques. Most of the lamb found in markets comes from animals slaughtered at six to eight months and weighing 120 pounds. Yearlings (one to two year-old lambs) and mutton (more than two years) never find their way to the marketplace in the United States. They are, instead, exported to foreign countries.

According to Hayes, "People have the misconception that only spring lamb is young lamb. Actually, young lamb is the only lamb available year round today." ❑

24th Annual

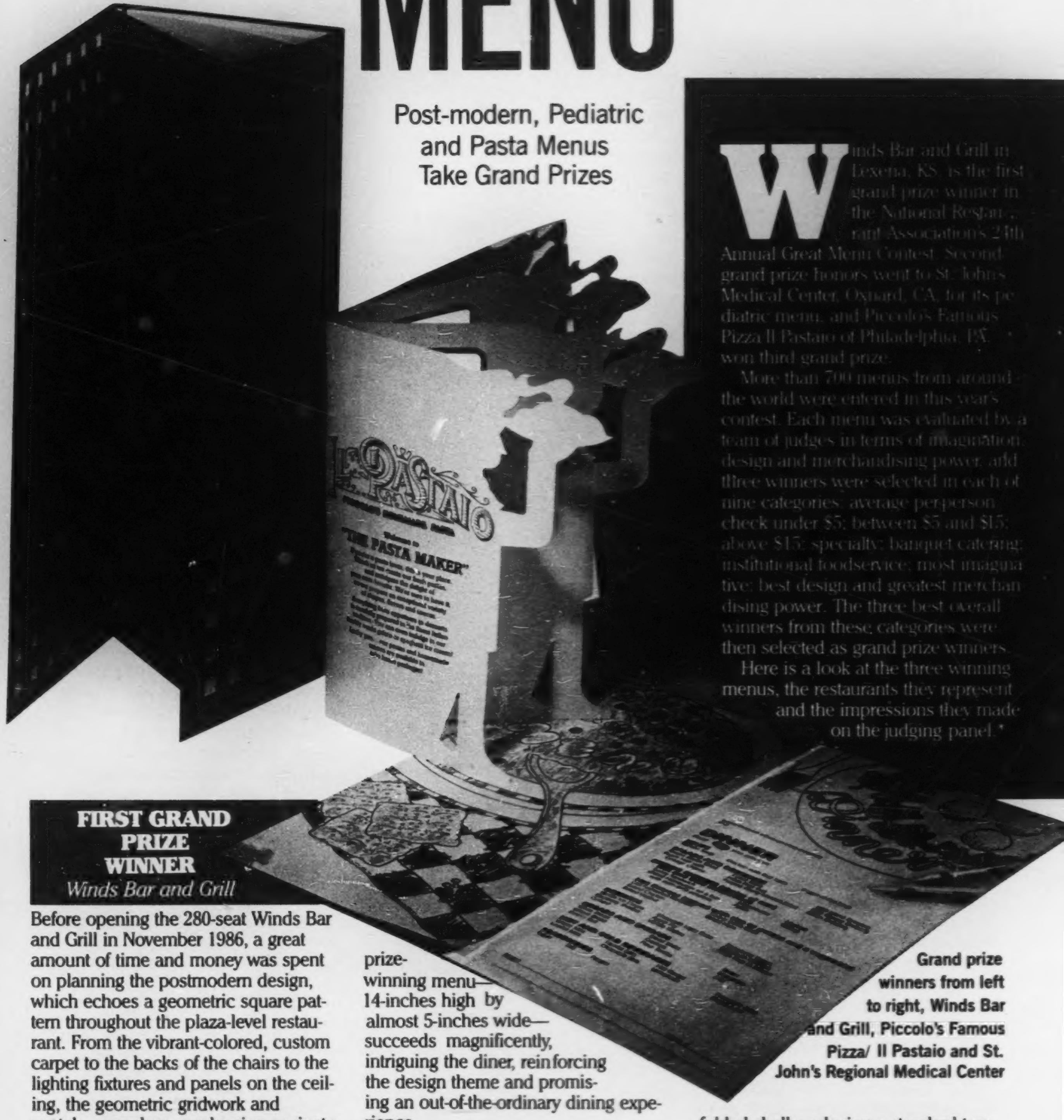
GREAT MENU CONTEST

Post-modern, Pediatric and Pasta Menus Take Grand Prizes

Winds Bar and Grill in Lexena, KS, is the first grand prize winner in the National Restaurant Association's 24th Annual Great Menu Contest. Second grand prize honors went to St. John's Medical Center, Oxnard, CA, for its pediatric menu, and Piccolo's Famous Pizza Il Pastaio of Philadelphia, PA, won third grand prize.

More than 700 menus from around the world were entered in this year's contest. Each menu was evaluated by a team of judges in terms of imagination, design and merchandising power, and three winners were selected in each of nine categories: average perperson check under $5; between $5 and $15; above $15; specialty; banquet catering; institutional foodservice; most imaginative; best design and greatest merchandising power. The three best overall winners from these categories were then selected as grand prize winners.

Here is a look at the three winning menus, the restaurants they represent and the impressions they made on the judging panel.*



Grand prize winners from left to right, Winds Bar and Grill, Piccolo's Famous Pizza/ Il Pastaio and St. John's Regional Medical Center

FIRST GRAND PRIZE WINNER

Winds Bar and Grill

Before opening the 280-seat Winds Bar and Grill in November 1986, a great amount of time and money was spent on planning the postmodern design, which echoes a geometric square pattern throughout the plaza-level restaurant. From the vibrant-colored, custom carpet to the backs of the chairs to the lighting fixtures and panels on the ceiling, the geometric gridwork and pastels—peaches, raspberries, apricots and limes—appear again and again.

"At this point in the design process," says owner Joseph Verebelyi, "we decided to reinforce the look of the building by jumping to the tabletop." His prize-winning menu—14-inches high by almost 5-inches wide—succeeds magnificently, intriguing the diner, reinforcing the design theme and promising an out-of-the-ordinary dining experience.

The Winds menu has three covers, consisting of two pieces—an outer tri-folded shell enclosing a standard two-fold cover. When closed, a black, diecut gridlock tantalizingly displays only a black background. The first opening reveals another cover decorated with 17 rows of five pastel squares with the

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**See the accompanying sidebar for the names of the other contest winners.*

word "Winds" boxed into the squares of the first row. The flap then opens to reveal a third cover, adorned with a loosened design of the same-colored squares.

Only after flipping this third cover does the diner arrive at the menu, printed on speckled lavender linen paper, which is designed to imitate the fine writing papers of years gone by. Here, too, squares appear as corner ornamentation, and the selection of salads, appetizers, seafood and meats is presented in a legible, graceful typeface under categories that echo the name of the restaurant, such as "light breezes" for appetizers, soups and salads and "sea winds" for seafood.

Descriptions are succinct, yet informative and inviting. Two "Creative Cuisine" entrees, prepared according to American Heart Association guidelines, are also included, and they are presented in the same appetizing style. For example, the *Poached Sea Scallops* is described as "tender sea scallops in court bouillon, topped with tomatoes, chives, mushrooms and a fine herb mixture. Fresh pasta."

In evaluating the Winds Bar and Grill menu, the judges all agreed that the well-executed, imaginative design of the menu's shell was well-complemented by the understated, yet sophisticated, menu listings. "This menu impressed all of us because of its overall excellence," says judge Susan Wyler. "The design was original and intriguing, and it had some mystery involved. The food descriptions were appetizing and impressive, and it looked like a menu that a chef could capably execute."

"The design is whimsical. I noticed that each judge opened it, closed it to look at it again, and then reopened it," adds judge Norma Gray. "The content, however, is very sophisticated in that it reflects indigenous ingredients and popular dining trends, including health-conscious selections. The menu suggests that the restaurant provides a very pleasant dining experience."

"From a production standpoint, this menu is a work of art—the piece is so graphic," notes judge Judi Radice. "A lot of thought has obviously gone into it. For example, the owners spent a lot of money on the cover and then designed it so the actual menu could slip in and out if they ever wanted to make any changes."

"I was impressed because it was a progressive, snappy, innovative menu, but the owner was also keeping pace with the cuisine. The menu, with its Creative Cuisine, suggests a restaurant that has a nice balance between food and decor," concludes judge Adelaide Farrah.

SECOND GRAND PRIZE WINNER

St. John's Medical Center

The care and concern felt by the staff of St. John's Medical Center for their young patients is easily observed from one glance at the hospital's pediatric menu. The 12-inch-high and 18-inch-wide, three-panel menu is educational, activity-oriented, appetizing and cheerful—in short, everything a sick, hungry kid with time on his or her hands could want. "The entire menu is upbeat. The designers obviously have a sense of compassion for the children and know how to lift the kids' spirits," notes judge Toni Lydecker.

"We wanted to create a menu that would be an educational tool," explains chief therapeutic dietitian Barbara Bisset. But the menu does more than simply describe the four basic food groups. It also draws the children in, not only by asking them to make their food selections, but also by providing activities to occupy their time, such as a connect-the-dots exercise, a crossword puzzle and a coloring area.

Menu contest judges

The judges in the 24th Annual Great Menu Contest were:

☐ Peter R. Berlinski, editor, *Restaurant Business;* New York, NY

☐ Adelaide Farrah, food editor, *Health* magazine; New York, NY

☐ Norma Gray, president, Foodcrafters; Burke, VA

☐ Toni Lydecker, senior editor, *Restaurant & Institutions;* Des Plaines, IL

☐ Judi Radice, author, *Menu Design 2;* San Francisco, CA

☐ Carole Sugarman, *The Washington Post;* Washington, DC

☐ Shelley Williams, senior art director, Whittle Communications; Knoxville, TN

☐ Susan Wyler, food editor, *Food & Wine;* New York, NY

The outside of the pediatric menu gives a three-dimensional impression through the use of crayons photographed on top of a page from a child's coloring book. "The three-dimensional effect was so well-executed that I wanted to pick the crayons off the menu," says judge Judi Radice. The flip side of the menu, which is divided into perforated breakfast, lunch and dinner sections, is black and white—until the child has taken a crayon to it.

This impressive institutional menu is evidence of the efforts being made by hospitals to market all aspects of their operations. "This menu is a perfect example of hospitals moving away from staid, institutional menus—the colors are bright; it's a workable size; and they do a nice job of providing activities for the children," says judge Norma Gray.

Judge Peter Berlinski agrees. "If you're marketing to a child, you have to understand the mind-set of a child. This menu succeeds: it's enticing and appealing."

THIRD GRAND PRIZE WINNER

Piccolo's Famous Pizza/Il Pastaio

Daniel Nejberger, owner of Philadelphia's Il Pastaio, is a strong believer in in-house advertising. "I spend very little money on outside advertising," he says. "Merchandising is where I put my money and energy."

Visitors to his three-year-old pasta specialty restaurant order from what Nejberger considers his "best advertising tool"—a shiny, laminated, six-page menu whose colorful pages are die-cut to reveal a chef holding a steaming plate of pasta aloft. By folding each panel of the menu shorter than the next, the designer has overlapped the four cut out chefs, creating a striking effect in red, white, beige and gray.

On the inside of the menu, customers are faced with brightly colored pages with boxed assortments of Italian specialties, from insalatas to zuppas, carnes, fruitti di mare and, of course, pasta dishes. Customers can

Mark Borchelt

order one of 12 specialty pasta dishes or create their own combination from among four different cuts of fresh pasta, available in six flavors (including spinach, basil, mushroom and whole wheat) and 10 sauces.

Il Pastaio's eye-catching menu is the fourth die-cut menu used by Nejberger, who also owns a fullservice pizza restaurant, Piccolo's Famous Pizza, in Philadelphia. "To me, a menu is a way of making a statement," he says. The Great Menu Contest judges agreed that the menu cleverly conveys a sense of the restaurant's personality.

"I like this menu because it conveys, beyond a shadow of a doubt, a sense of what Il Pastaio is," says judge Norma Gray. "This menu projects a mood and creates an environment that tells you it is going to be a lively, fun experience," adds judge Adelaide Farrah.

Judge Peter Berlinski couldn't agree more. "Il Pastaio's menu communicates instantly what the place is all about. It's artistically done—the menu itself embodies the nature of the restaurant."

Adds judge Toni Lydecker, "The thing that impressed me the most about this menu is that, although it looks like it was put together by a large corporation, it was produced by a small company. It shows that anyone can have a sophisticated product with clean graphics and polish."

—David Slater

1987 Great Menu Contest winners

Grand Prize

First Place
Southwind Restaurant, Inc.—Winds Bar & Grill; Lenexa, KS
Second Place
Pediatric menu; St. John's Regional Medical Center; Oxnard, CA
Third Place
Piccolo's Famous Pizzas/Il Pastaio; Philadelphia, PA

Restaurant: Per-person check average under $5

First Place
Frontier Enterprises—Jim's of Austin; Austin, TX
Second Place
California Concepts, Inc.—Peso's; New York, NY
Third Place
Luncheon menu; El Torito Restaurants, Inc.; Irvine, CA

Restaurant: Per-person check average between $5 and $15

First Place
Belinda's Restaurant; Thornhill, Ontario, Canada
Second Place
Harvey's Restaurant; Lutherville, MD
Third Place
Darryl's; Kansas City, MO

Restaurant: Per-person check average over $15

First Place
Genji Restaurant—Hilton International Osaka; Osaka, Japan
Second Place
Dynasty Restaurant—Hilton International Osaka; Osaka, Japan
Third Place
Chardonnay—Park Terrace Hotel; Washington, DC

Specialty

First Place
Children's menu; TGI Friday's, Inc.; Addison, TX
Second Place
Children's flip books; Eat & Park Restaurants, Inc.; Pittsburgh, PA
Third Place
Children's gift boxes; Eat & Park Restaurants, Inc.; Pittsburgh, PA

Greatest merchandising power

First Place
Mor Food 'n' Fun/Grace Restaurant Company—The Malibu Sea Lion USA; Santa Monica, CA
Second Place
Grisanti's Casual Italian Restaurant; Grisanti, Inc.; Louisville, KY
Third Place
Marble Lounge—Hilton International Tokyo; Tokyo, Japan

Best design

First Place
Belinda's Restaurant; Thornhill, Ontario, Canada
Second Place
Tuba City Truck Stop; New York, NY
Third Place
Winter Enchantment Menu—Nut Tree; Nut Tree, CA

Most imaginative

First Place
Suan Saranrom Garden Restaurant—Hilton International Bangkok; Bangkok, Thailand
Second Place
Rotisserie Prinz Eugen—Hilton International Wien; Vienna, Austria
Third Place
Fillets, Inc.; Pascagoula, MS

Easy readibility and imaginative entree descriptions won Harvey's Restaurant second place honors. The menu was entered in the category, Per-person Check Average Between $5 and $15.

Rotisserie Prinz Eugen—Hilton International Wien—captured second place in the Most Imaginative category with a creative die-cut menu that echoes its authentic sea shell container.

Banquet/Catering

First Place
Maui Marriott; Lahaina, HI
Second Place
Marriott Harbor Beach Resort; Fort Lauderdale, FL
Third Place
Marriott Cypress Creek; Fort Lauderdale, FL

Institutional Foodservice

First Place
St. Joseph's Hospital Centers; Mt. Clemens, MI
Second Place
Brigham and Women's Hospital; Boston, MA
Third Place
Saint Francis Memorial Hospital; San Francisco, CA

Hasslocher wins achievement award

National Restaurant Association President G. "Jim" Hasslocher was presented with the inaugural Salut Au Restaurateur Industry Achievement Award, an honor established for the first time this year by the department of hospitality administration at Florida State University (FSU).

Hasslocher proudly displays his achievement award.

In accepting the award at the 34th Annual Salut Au Restaurateur dinner held in Tallahassee, FL, in March, Hasslocher paid tribute to other award recipients in the Salut Au Restaurateur program, all of whom had been named "Restaurateur of the Year" by their state associations. "The individuals we honor here tonight have achieved great things in the restaurant industry," Hasslocher said. "But these outstanding restaurateurs have also given something back to foodservice—and their contributions have made it easy for us to be enthusiastic about our industry."

Hasslocher added that the Salut Au Restaurateur award winners provided a fine example of the opportunities available in foodservice. "People who are willing to work rise rapidly to the top," he said. "The rise from busboy to owner-operator is common in our industry. All it takes is energy, business sense, creativity and a lot of hard work."

The Salut Au Restaurateur program was established in 1952 by FSU to honor outstanding restaurateurs. The Salut Au Restaurateur Industry Achievement Award was established this year to honor those operators who distinguish themselves through overall leadership in the hospitality industry and in their community, state and nation.

Members donate items to tourism breakfast

The National Tourism Week Coalition, of which the National Restaurant Association is a member, sponsored its annual Congressional Staff Tourism Information Breakfast in April. The Capitol Hill breakfast was an opportunity for key congressional staffers to learn about how tourism can benefit their members' home districts. Among the highlights of this year's breakfast, which featured a regional menu promoting indigenous American foods, were New England cranberry muffins donated by National Restaurant Association Director Stephen Elmont's company, Creative Gourmets Ltd. of Boston, MA; and the Chicago-style "Greek Toast," supplied by association member Lou Mitchell's Restaurant of Chicago, IL.

USA'S SECOND
LARGEST EMPLOYER

Fisher pledges to fight minimum wage hike

Speaking before the Club Manager's Association of America, National Restaurant Association Executive Vice President William P. Fisher reiterated the association's commitment to blocking any minimum wage increase.

"The position of the association Board is to oppose any attempt to increase the minimum wage because such an increase would be detrimental both to management and to the work force. The association has committed all its resources to stopping the seven minimum wage bills currently in Congress," Fisher said.

The National Restaurant Association believes that a hike in the minimum wage will have an adverse effect on employment by pricing workers out of the market. It would disrupt business and dislocate the working poor who can least afford it.

Fisher told the club managers that the Hawkins bill (H.R. 1834) in the House and the Kennedy bill (S. 837) in the Senate have received the most attention. Virtually identical, the two bills raise the minimum wage—currently at $3.35 an hour—to $4.65 an hour by January 1990. Both bills provide for indexing after that date—meaning that every time the average private sector, nonsupervisory wage increases, the minimum wage would also increase.

"Neither bill currently addresses the subject of tip credit or youth differential," Fisher pointed out.

The association executive indicated that although these bills had considerable momentum in Congress, they were totally unacceptable to the foodservice industry, which employs approximately one-third of all workers earning minimum wage. Of these workers, more than one-half are tipped employees whose total income, including tips, far exceeds minimum wage, and a large proportion of the remainder are the children of comfortable families working for extra discretionary funds.

Because the President's Economic Policy Council unanimously voted to oppose any increase in the minimum wage, it is likely that President Reagan would veto any increase.

"If Congress were to pass a minimum wage bill and the president vetoed it, the National Restaurant Association would martial its membership to ensure that Congress did not override that veto," Fisher stated.

"We have a difficult battle to fight in regard to minimum wage," Fisher said in answer to a question after his speech. "But we are convinced that we can win."

Attitudes toward smoking in restaurants

This article presents results from an association-commissioned Gallup survey on the issue of smoking in restaurants.

A Gallup survey conducted in February 1987 for the National Restaurant Association reveals a divergence of opinion about tobacco smoke in restaurants. Because opinion about smoking is divided, it is particularly important for restaurateurs making decisions on this issue to carefully assess the wants and needs of customers in their market area.

Smokers are a minority

Opinion about smoking sections and tobacco smoke in restaurants is influenced by the smoking status of the respondent. Among adults 18 years old and older who responded to the association's Gallup survey, 47 percent said they had never smoked, 26 percent were former smokers and 27 percent were current smokers. In comparison, the federal government's 1985 National Health Interview Survey indicated 30 percent of adults 18 years old and older were current smokers, 24 percent were former smokers and 45 percent had never smoked.

Although the two-year decline in 1987 in the proportion of adults who smoke is too small to be significant, it does reflect the expected continuation of a long-term trend. Since the mid-1960s, the proportion of adults who smoke has dropped by one-third (from 45 percent).

In demographic terms, the association's survey results indicate that men are somewhat more likely to smoke than women. The likelihood of smoking peaks with the 35 to 49 age-group, and then it drops off sharply. Also, the youngest adults—18 to 24 years old—are most likely to have never smoked. Consumers who eat out frequently are no more or less likely to be smokers than is the general population.

Majority sits in no-smoking section

On their last occasion at a restaurant or fast food place that had a no-smoking area, the vast majority of non-smokers said they chose to sit in the smoke-free area. In fact, 78 percent of those who never smoked opted for the no-smoking area as did 69 percent of former smokers. Twenty-nine percent of the current smokers sat in the no-smoking section.

This means that, overall, 62 percent of adults sat in the no-smoking section at their last meal at a restaurant or fast food place when a no-smoking section was available. A look at the proportion who sat in the no-smoking section by type of restaurant visited reveals some interesting differences. For instance, seven out of the 10 adults at cafeterias sat in the no-smoking section, whereas 55 percent sat in the no-smoking section at fast food places.

Awareness of no-smoking section important

Opinions about smoking in restaurants are mixed. Nevertheless, there is at least one area on which smokers and non-smokers agree. Ninety percent of the respondents agreed with the statement, "When there is a no-smoking section, the host/hostess should ask if you want to sit there."

Those between 35 and 49 are most likely to be smokers

	Current smoker	Former smoker	Never smoked
All adults	**27%**	**26%**	**47%**
Male	30	30	40
Female	25	22	53
18 to 24 years old	26	10	64
25 to 34 years old	29	22	49
35 to 49 years old	35	30	35
50 to 64 years old	24	29	48
65 years and older	16	34	49
College graduate	18	29	53
High school graduate	28	25	46
Less than high school education	32	24	44

Source: Gallup survey for the National Restaurant Association, February 1987

Sixty-one percent of the respondents said they prefer to sit in the no-smoking section at a restaurant.

Calling attention to a no-smoking section in a restaurant becomes even more important if a majority of customers prefer to sit there. This was the case in the survey. Sixty-one percent of the respondents said that they prefer to sit in the no-smoking section at a restaurant. Individuals who have never smoked are even more likely than former smokers to prefer a no-smoking section. Eighty-three percent of those who have never smoked want to sit in the no-smoking area, compared to 65 percent of former smokers and 20 percent of current smokers.

In demographic terms, females are somewhat more likely than males to prefer a no-smoking section. Also, those who are 65 years old

Sixty-one percent of the respondents said they prefer to sit in the no-smoking section at a restaurant

	Percent who		**Mean****			
	Agree*	**Disagree***	**All respondents**	**Smokers**	**Former smokers**	**Never smoked**
Tobacco smoke is not usually a problem at restaurants	41%	38%	3.0	3.6	3.1	2.6
There are enough restaurants that have no-smoking sections	50	28	3.4	3.9	3.4	3.1
If a restaurant did not allow patrons to smoke, I would not eat there	27	55	2.4	3.2	2.2	2.1
I have not been bothered by smoke at restaurants that have no-smoking sections	51	34	3.3	3.9	3.3	2.9
I prefer to sit in the no-smoking section at a restaurant	61	27	3.6	2.0	3.9	4.4
I usually do not ask if there is a no-smoking section	57	33	3.4	3.9	3.5	3.1
When there is a no-smoking section, host should ask if I want to sit there	90	4	4.6	4.5	4.6	4.6
Even if I like the food and service, I will not return to a restaurant that does not have a no-smoking section	19	62	2.2	1.9	2.2	2.4

*"Agree" = 4 and 5 on a five-point scale. "Disagree" = 1 and 2 on a five-point scale.

**Means are based on a five-point scale, where five represents "strongly agree" and one represents "strongly disagree."

Source: Gallup survey for the National Restaurant Association, February 1987

and older are much more likely to prefer a no-smoking section than are younger patrons. On the other hand, even though nearly two-thirds of young adults 18 to 24 years old have never smoked and 10 percent are former smokers, these respondents are no more likely to prefer sitting in a no-smoking section than are adults 35 to 49 years old, who are the most likely to smoke.

The survey results confirm that there is some reticence among consumers to ask if there is a no-smoking section. Although 61 percent of the survey respondents said they prefer to sit in the no-smoking section, a similar proportion, 57 percent, agreed that they usually do not ask if there is a no-smoking section. Only 33 percent of the respondents reported that they usually ask if a no-smoking section is available. This underscores the need for the host/hostess to inquire where customers want to sit.

Tobacco smoke is a problem to some

As far as problems with tobacco smoke are concerned, consumer sentiment is definitely mixed. Forty-one percent of the respondents agreed that tobacco smoke is not usually a problem at restaurants. On the other hand, a similar proportion, 38 percent, disagreed and 19 percent were in the middle—neither agreeing nor disagreeing. People who have never smoked are more likely than former smokers to find that tobacco smoke is a problem.

Consumers are somewhat less likely to regard smoke as a problem at restaurants with no-smoking sections. Approximately one-half of the respondents agreed that they have not been bothered by smoke at restaurants that have no-smoking sections. Still, 34 percent disagreed with this statement and those who have never smoked were most likely to be in disagreement.

A similar proportion, 50 percent, agreed that enough restaurants have no-smoking sections. Twenty-eight percent disagreed with this statement. It should be noted that smokers and non-smokers were in closer agreement on whether enough restaurants have smoking sections than they were on whether smoke at restaurants is bothersome. It is also worth noting that those who eat out most frequently were somewhat more likely to strongly agree that enough restaurants have no-smoking sections.

Smoke-free restaurant satisfies the majority

Not surprisingly, 27 percent of the respondents agreed that they would not eat at a restaurant that did not allow smoking. This is similar to the number of current smokers. On the other hand, 55 percent of the respondents would go to a restaurant that did not allow smoking, and 11 percent neither agreed nor disagreed. A relatively large number of respondents, 7 percent, said they did not know if they would eat at a restaurant that did not allow smoking.

Fifty percent of current smokers would not eat at a restaurant that did not allow patrons to smoke. However, 38 percent of smokers disagreed with this statement, indicating that they would be willing to refrain from smoking while eating at such a restaurant.

Even among non-smokers opinion is mixed; only about 20 percent say they would not eat at a restaurant that did not allow smoking.

No-smoking sections secondary to food, service

Whatever consumer attitudes are about smoking in restaurants, it is important to recognize that for most consumers no-smoking sections rank behind food and service in importance. Sixty-two percent of the repondents disagreed with the statement, "Even if I like the food and service, I will not return to a restaurant that does not have a no-smoking section." However, a significant minority, 19 percent of the respondents, agreed with this statement. Non-smokers, especially those who have never smoked, are much more likely to agree or to be on the fence about whether they would return to a restaurant with a no-smoking section even if they liked the food and service.

Secondary smoke is important to many consumers

It is important to keep in mind that opinion about smoking, and secondary smoke in particular, will not remain static. As more adults become non-smokers—and about one-half of all smokers try to quit every year, according to the federal government—restaurateurs must be flexible to meet their needs.

Last December, the surgeon general issued a report on smoking and health that some believe will have a significant effect on future behavior and attitudes concerning smoking. Even before the report was published, public opinion about passive smoking indicated that 68 percent of adults think secondary smoke is harmful to nearby non-smokers. The survey conducted for the American Cancer Society shows that 40 percent of adults believe secondary smoke is very harmful, and an additional 28 percent believe it is harmful.

Research conducted by the Gallup Organization in 1985 for the American Lung Association shows that 75 percent of adults believe smokers should refrain from smoking in the presence of non-smokers. When asked where smokers should refrain from smoking when non-smokers are present, 62 percent of respondents, said "in a public place."

—Susan Mills

Meteoric growth in pizza market

Home delivery, product innovations and promotions have fueled the dramatic growth of pizza; orders have climbed 50 percent in the last four years.

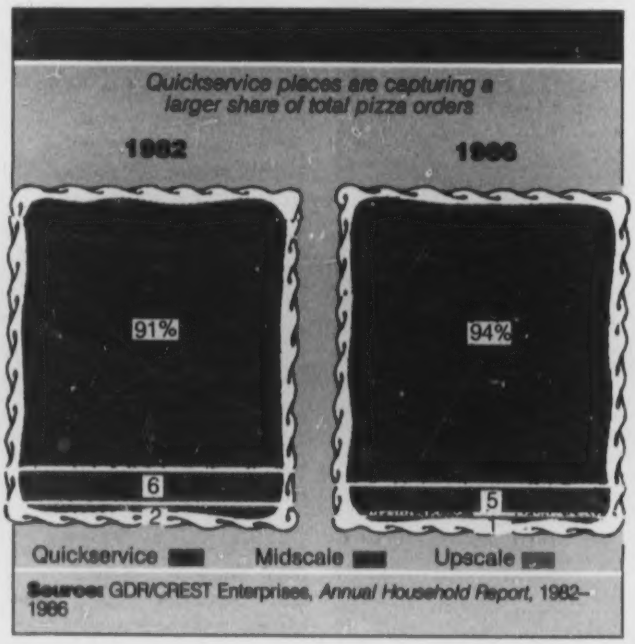
Pizza is one of the hottest foods in the industry. CREST data show pizza ranks among the top-10 fastest-growing menu items, with orders climbing by more than 50 percent between 1982 and 1986.

This increased popularity of pizza can be attributed to several factors. Home delivery is, of course, an obvious one. Expansion and promotion of this service have made pizza a favorite of the swelling number of convenience-conscious consumers, such as working women, higher-income households and 18 to 34-year-olds.

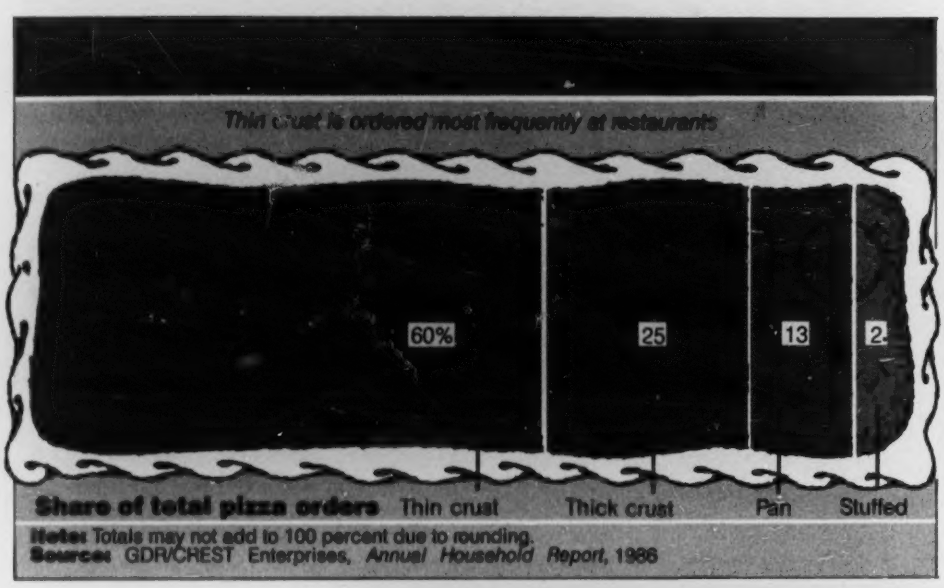
Another reason for pizza's explosive growth is that it is becoming more than just a convenience food. Drinking places are promoting pizza in its many forms to attract customers in the face of declining liquor consumption. Pizza is even making its way onto the menus of fine dining establishments; however, these "gourmet" offerings often bear little resemblance to the type that comes in cardboard boxes from the corner pizza shop.

Pizza is fast food

Although pizza is showing up on menus of restaurants that are not quickservice places, it is still considered a fast food item. According to CREST data, the quickservice segment accounted for 94 percent of all pizza orders last year, with pizza quickservice places capturing the lion's share of those orders. Customer counts at quickservice pizza places climbed by


Quickservice places are capturing a larger share of total pizza orders

Source: GDR/CREST Enterprises, *Annual Household Report*, 1982–1986



Thin crust is ordered most frequently at restaurants

Note: Totals may not add to 100 percent due to rounding.
Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

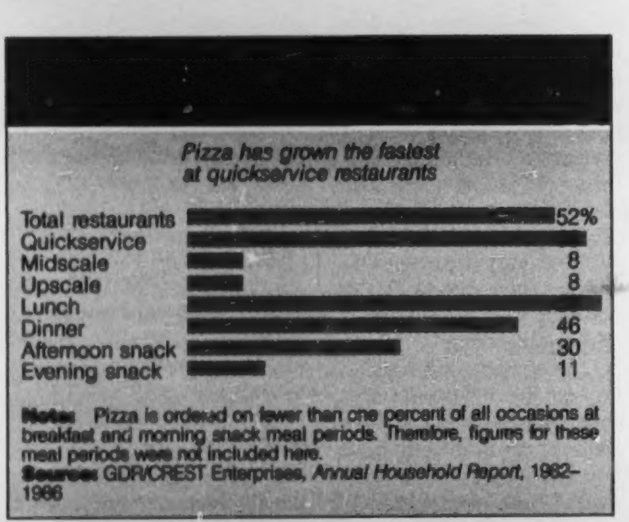
more than 55 percent between 1982 and 1986, and orders for pizza at these establishments increased 60 percent.

In contrast, the number of pizza orders at midscale restaurants increased 8 percent while those at upscale establishments declined by more than 8 percent during the same time period. Furthermore, midscale and upscale restaurants saw their share of the total pizza market decline between 1982 and 1986.

Pizza is on the move

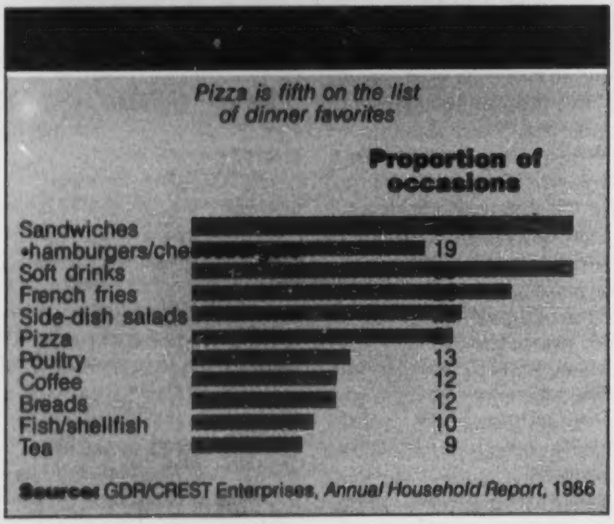
The biggest news in the pizza market is unquestionably the dramatic increase in off-premises consumption. CREST data for the quickservice pizza group provide evidence of this emerging trend. Two-thirds of all customer occasions at quickservice pizza restaurants were for off-premises consumption in 1986 versus 52 percent four years earlier. During this time, off-premises traffic nearly doubled.

When pizza leaves the restaurant, its most likely destination is the consumers' home. In 1986, more than eight out of every 10 consumers who chose to eat pizza outside the restaurant took their pizza home. In just the last year, traffic for at-home consumption rose 24 percent. Much of this increase can be attributed to the rise of home delivery. Delivery's share of the off-premises market rose from 28 percent in 1985 to 31 percent last year, and traffic counts were up more than 30 percent. Carryout traffic was also up last year—16 percent, but the wider availability of home delivery has more consumers opting to let the pizza come to them. Carryout's share of the off-premises market dropped from 71 percent in 1985 to 68 percent last year.



Pizza has grown the fastest at quickservice restaurants

Note: Pizza is ordered on fewer than one percent of all occasions at breakfast and morning snack meal periods. Therefore, figures for these meal periods were not included here.
Source: GDR/CREST Enterprises, *Annual Household Report*, 1982–1986



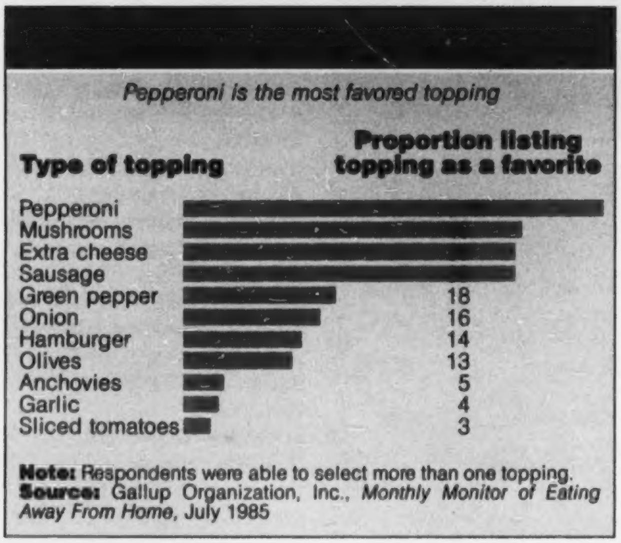
Pizza is fifth on the list of dinner favorites

Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

Dinner captures largest share

The evening meal continues to be the preferred time for eating pizza. Last year, dinner captured an impressive 73 percent of all pizza orders. CREST data show that pizza is the fifth most frequently ordered item at dinner. Moreover, dinner patrons are selecting pizza more frequently than ever. Pizza was ordered on 21 percent of all dinner occasions in 1986, up from 15 percent in 1982. During this time, the total number of orders for pizza increased 46 percent; the largest gain was registered last year. While pizza orders increased at dinner, pizza has lost ground at the evening snack period. Pizza was selected on 12 percent of all evening-snack occasions in 1986, down from 14 percent in 1982.

More lunch patrons are discovering pizza, indicating that efforts taken by operators to boost noontime traffic have begun paying off. Product introductions, Pepperoni is the most favored topping



Note: Respondents were able to select more than one topping.
Source: Gallup Organization, Inc., *Monthly Monitor of Eating Away From Home*, July 1985

including pizzas for one, pizza by-the-slice and other varieties of portable pizza, along with guarantees for quick service are making pizza an attractive lunchtime alternative.

Pizza was chosen on 6 percent of lunch occasions in 1986 versus 4 percent in 1982. Moreover, total orders rose a whopping 58 percent over this four-year period. Afternoon snackers are also munching on pizza more often, with orders rising nearly 30 percent between 1982 and 1986.

The pizza debate

Asking what kind of pizza is best will likely result in heated debate—whether it is over thin versus thick crust or types of toppings. CREST data reveal that 60 percent of all orders for pizza are for the thin-crust style, and 40 percent are for thick, which includes pan and stuffed. Both types have grown in popularity since 1982, with the increase in orders for thick just outpacing that for thin.

Results from a 1985 Gallup Organization survey tell a slightly different story. Respondents who ate pizza out within the three months prior to the survey were asked what kind of crust they prefer rather than what kind they ate. In terms of preference, the margin for thin crust is not as big. Forty-eight percent of the adults questioned said they prefer the thin crust and 46 percent prefer thick. The remaining 6 percent indicated no preference.

One possible explanation for the differences seen between the CREST and the Gallup data may be that thin crust pizza is the style more widely available in restaurants. Therefore, even if more consumers prefer thick crust, they may not be able to order it.

The Gallup Organization also asked pizza eaters what toppings they prefer. Pepperoni was at the top of the list. One-half of all survey respondents said pepperoni is one of their favorite pizza toppings. About four in 10 indicated they like mushrooms, extra cheese and/or sausage. Sliced tomatoes and garlic took top billing with fewer than 4 percent of the adults surveyed.

—Kate Conroy

CREST divides upscale segment by check size

A change in the way CREST presents data for upscale restaurants will make this survey more meaningful to many association members.

Until recently, CREST (see box for definition) defined upscale restaurants as those which
☐ provide full table service
☐ serve wine, beer and cocktails
☐ accept credit cards and
☐ often take reservations.
This varied category includes both lower-priced casual dining restaurants and higher-priced white tablecloth establishments.

Check size to define upscale segment

Now, CREST will divide the upscale segment into two separate groups based on check size. This means that it will now be possible to track consumer behavior at higher-check restaurants for the first time. The group includes upscale fish/seafood, Asian, Italian, steak and other restaurants with per-person checks in excess of $17.00 as well as upscale hotels where the per-person check averaged $8.64 in 1986.

Because there is a great deal of interest in consumer behavior at these higher-check upscale restaurants, highlights from the 1986 CREST *Annual Household Report* are summarized here.

Dinner is biggest business for upscale group

Not surprisingly, higher-check upscale restaurants do most of their business in the evening—a characteristic which they share with their moderate-priced counterparts in the upscale segment. According to 1986 CREST data, more than 70 percent of all sales and more than one-half of all traffic was reported for the evening meal. Higher-check steak places do a much greater proportion of their business in the evening than do other types of establishments. Slightly more than 85 percent of all traffic was rung up for dinner at steak restaurants last year. In contrast, upscale hotels did the smallest share of their business at dinner—40 percent of all traffic in 1986.

The higher-check upscale meal often includes an alcoholic beverage, a salad, a seafood or beef entree, a hot vegetable side dish, coffee and, possibly, some dessert.

Lunch is the second most important meal period, capturing 21 percent of sales and 27 percent of customer traffic in the higher-check upscale segment. Breakfast garners a 6-percent share of total sales within the higher-check upscale segment, but 15 percent of traffic, most of which comes from upscale hotels. Nearly one-fourth of all traffic at these hotels was for the morning meal, and breakfast captured a 13-percent share of total sales.

Saturdays capture largest share

Most consumers choose to dine at higher-check upscale restaurants on the weekends. Saturday captured 21 percent of weekly eater occasions last year, and another 18 percent occurred on Friday. Monday is the least-requested day, attracting only 10 percent of all weekly occasions. These same patterns are observed within the moderate-check upscale group.

Because weekends garner such a large share of higher-check upscale traffic, it is not surprising that 34 percent of consumers reported being at home prior to going out to eat. Even for meals at upscale hotels, most customers said they came from their homes, although the proportion was considerably smaller than at other types of higher-check upscale restaurants.

Vacationers also generate a sizable proportion of business at higher-check upscale restaurants. Vacation travelers accounted for more than 16 percent of all eater occasions within the segment in 1986. Upscale hotels and fish/seafood places were especially popular choices. In contrast, less than 7 percent of all moderate-check upscale patrons reported being on vacation.

Average check size by type of establishment

The average check size at higher-check upscale restaurants was nearly four times the industry average

Average check size	**Total industry**	**Quick-service**	**Midscale**	**Upscale**	
				Midscale check	**Higher check**
Overall average check size	$3.45	$2.47	$4.16	$7.22	$13.41
Breakfast*	2.28	1.42	2.73	2.95	5.10
Lunch	3.22	2.58	3.89	5.63	10.22
Dinner	4.60	3.04	5.47	8.43	17.90

**Average check sizes at quickservice, midscale and both upscale categories are for breakfast/morning snack.*

Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

In 1986, the meal at a higher-check upscale establishment was topped off with dessert on almost 23 percent of all occasions.

Visits to higher-check upscale restaurants often occur after work or while consumers are on business. In 1986, nearly 15 percent of higher-check upscale patrons said they dined at this type of establishment on their way home from the office. A similar proportion said they did so when on business/travel. After-work visits are somewhat more common at moderate-check upscale restaurants—21 percent occurred after work last year—whereas business meals are much more important in the higher-check segment.

Within the higher-check upscale segment, business customers were more common at hotels, steak places and fish/seafood restaurants while Italian and varied menu places captured more business from after-work traffic.

Patrons tend to order more items

When dining at a higher-check upscale restaurant, patrons order more items than they do at other types of restaurants. On average, higher-check upscale patrons order 4.2 items per person. This is well above the industry average of 2.6 items per eater and also higher than the 3.6 items selected at moderate-check upscale restaurants. The higher-check upscale meal often includes an alcoholic beverage, a salad, a seafood or beef entree, a hot vegetable side dish, coffee and possibly some dessert.

Side-dish salads were ordered on more than four in 10 eater occasions at higher-check upscale restaurants. Also, well over half of these salads were served rather than selected from a salad bar. At moderate-check upscale places, salads were ordered on 34 percent of all occasions last year.

CREST data show seafood and beef were the most frequently ordered entrees at higher-check upscale restaurants in 1986. Seafood was selected on 27 percent of all eater occasions, with orders for broiled/baked/grilled seafood outnumbering those for fried. Broiled/baked/grilled fish was somewhat more popular than shellfish prepared in a similar manner. A beef entree was chosen on about two in 10 eater occasions. Consumers showed the greatest preference for steak and prime rib.

Other items that are selected more often at higher-check upscale restaurants than at moderate-check upscale establishments include Asian foods, soup and pasta.

To accompany the main course, patrons frequently choose a hot vegetable and/

Share of sales and traffic by meal period

Dinner captures more than one-half of all traffic at higher-check upscale restaurants

Meal period	**Moderate check**		**Higher check**	
	Sales	**Traffic**	**Sales**	**Traffic**
Breakfast	1.4%	3.4%	5.8%	15.2%
Lunch	24.1	30.9	20.9	27.4
Dinner	72.3	61.9	70.6	52.9

Source: GDR/CREST Enterprises, *Annual Household Report*, 1986 or a baked/stuffed potato. Hot vegetables were ordered on about 17 percent of higher-check occasions and baked potatoes were ordered on 16 percent of occasions. Hot vegetables are more popular at higher-check upscale restaurants than at moderate-check upscale establishments, while french fries are somewhat more popular than the baked potato at moderate-check upscale places.

Higher-check upscale customers often indulge in dessert. In 1986, the meal at a higher-check upscale establishment was topped off with dessert on almost 23 percent of all occasions, versus 13 percent at moderate-check upscale places. Cakes/pastries and ice cream were the favorite selections.

Most consumers reported being at home prior to going out to eat. This held true even for meals at upscale hotels.

An alcoholic beverage is frequently ordered when dining at higher-check upscale restaurants. In 1986, an alcoholic beverage was served on 38 percent of all occasions. Cocktails were the most popular choice, followed closely by wine. At moderate-check upscale restaurants, the distribution of orders is somewhat different with beer instead of wine coming in second to cocktails in popularity.

Coffee is a big seller at higher-check upscale restaurants. In fact, in 1986, coffee was ordered on more occasions at these establishments than at any other restaurant—38 percent. The majority of higher-check upscale customers prefer regular coffee to the decaffeinated version.

On-premises dining eclipses takeout

The tremendous growth seen within the takeout market has as yet had little measurable effect on the upscale segment. Upscale restaurant customers, whether they visit moderate or higher-check places, still overwhelmingly dine on-premises. In 1986, well over 90 percent of the traffic at both of these types of establishments occurred on-premises. In fact, higher-check upscale operations derive less than 3 percent of sales from takeout. The only notable source of business outside the restaurant was at higher-check upscale hotels last year, and this was most likely accounted for by food and beverages purchased from room service.

Although the use of promotions has increased dramatically within the restaurant industry in recent years, promotions were used on only about 9 percent of all higher-check upscale occasions in 1986. This is below both the industry average of 12 percent and the average seen at moderate-check upscale restaurants—10 percent. When hotels are excluded, the proportion of promotion use at higher-check upscale restaurants drops to around 5 percent.

Food items ordered at higher-check upscale restaurants

Consumers order, on average, 4.2 items when they dine at higher-check upscale restaurants

Item	**Percent of occasions** **Higher check**	**Percent of occasions** **Moderate check**
Side-dish salads	41.8%	34.4%
Coffee	37.5	23.1
regular	30.5	18.1
Alcoholic beverages	37.1	28.6
cocktails	17.6	11.6
wine	15.4	7.4
beer	6.5	8.2
Total breakfast foods	33.4	20.9
Fish/shellfish	26.5	18.9
broiled/baked/grilled fish	11.3	6.9
broiled/baked/grilled shellfish	7.5	3.9
Dessert	22.8	12.6
cakes/pastries	6.2	2.0
ice cream	5.4	3.7
Total beef	20.7	12.7
steak	8.4	5.8
roast/prime rib	8.4	3.5
Other hot vegetable	17.0	8.4
Baked/stuffed potato	15.5	13.1
Asian foods	14.4	9.5
Soup	13.8	12.6
Pasta	12.3	5.8
Average number of items per person	**4.2**	**3.6**

Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

Activity prior to dining out

Most consumers were at home prior to dining at upscale restaurants

Prior activity	**Moderate check upscale**	**Higher check upscale**
At home	41.4%	34.1%
At work	21.4	14.6
Business/travel	5.1	14.5
Vacation	5.7	16.6
Shopping	7.9	2.4
Entertainment/recreation	8.9	8.7
Other/not reported	9.6	9.1

Source: GDR/CREST Enterprises, *Annual Household Report*, 1986

Who dines at higher-check establishments

Patrons at higher-check upscale establishments tend to be well-educated and affluent. Although the client mix for individual establishments will vary depending on specific market characteristics, CREST data provides the following profile of higher-check upscale restaurant patrons:

☐ **35 to 49-year-olds.** Last year, more than three in 10 of all higher-check upscale patrons were between the ages of 35 and 49. In contrast, fewer than one-fourth of the customers at moderate-check upscale, midscale or quickservice restaurants fell into this age-group. Approximately 23 percent of higher-check patrons were between 50 and 64 years old, and another 22 percent were in the 25 to 34 age-group.

☐ **Males.** In 1986, men accounted for a larger proportion of higher-check upscale patrons than did females—53 versus 45 percent. At moderate-check upscale restaurants, the distribution was nearly equal.

☐ **High income households.** As might be expected, income is the single characteristic that differentiates customers of higher-check restaurants from other types of establishments. Consumers from more affluent households are likely customers of higher-check upscale establishments. Of all higher-check patrons, 46 percent reported household incomes of $40,000 or more in 1986.

☐ **Employed singles and dual-income couples.** More than 30 percent of all higher-check upscale customers were working singles. A similar proportion were from households in which both spouses worked outside the home. Consumers from two-income households were also frequent patrons at moderate-check upscale establishments—34 percent.

☐ **College graduates.** Consumers with a college degree accounted for 59 percent of all higher-check upscale patrons. At moderate-check upscale establishments, the proportion was a smaller 48 percent.

In sum

This new division in the upscale segment will make it possible to track more closely the growth of the higher-check upscale segment.

—Kate Conroy

Popularity of fresh produce transforms marketplace

The emphasis on health and fitness has transformed the fruit and vegetable marketplace. Not only has consumption shifted to fresh produce away from canned alternatives, but there is also a greater variety of products available in both grocery stores and on restaurant menus.

Consumers are still eating more fruits and vegetables. Per-capita consumption of vegetables (excluding potatoes) has increased by more than 20 pounds between 1975 and 1985. During that time, consumption of fresh vegetables has far surpassed that of the canned alternatives, accounting for 17 of the 21 pounds of the per-person gain. Consumption of canned vegetables, by comparison, grew less than one percent. According to the U.S. Department of Agriculture (USDA), canned vegetable purchases suffered because consumers believe the products to be nutritionally inferior to the fresh and frozen alternatives.

Frozen vegetable consumption, driven by the demand for convenience and ease of preparation, has grown more than 27 percent since 1975, surpassing 17 pounds per person in 1985.

Broccoli highlights consumption change

The change in broccoli consumption is a good example of what has been taking place in the vegetable marketplace. Between 1975 and 1985, per capita consumption of fresh broccoli increased by more than 160 percent. In 1970, production for the process markets (canning and freezing) accounted for the majority of broccoli production. By 1975, production was evenly split between the process and fresh markets; and in 1985 the situation was reversed, with fresh broccoli accounting for almost 70 percent of total production. Other major vegetables showing large increases in fresh consumption include cauliflower, onions, carrots and tomatoes.

Potato consumption breaks pattern

Potato consumption is one major exception in the overall shift to fresh vegetables; the fresh product has lost out to the processed one. In 1970, more than half of the white potatoes consumed were fresh. By 1985, the fresh market's share of total potato consumption fell to 42 percent as strong gains were made in potatoes for freezing, especially french fries. In the early 1980s, however, as the hot stuffed baked potato became a symbol of health and fitness, fresh potato consumption began to rise. In 1985, fresh potato consumption increased 12 percent from one year earlier, reaching 52 pounds per capita.

Fresh fruit consumption also up

Fresh fruit consumption has experienced changes similar, although less dramatic, than those occurring in the vegetable marketplace. Consumption has increased over the last 10 years, reaching 91 pounds per-capita in 1985. Fresh fruits' share of total fruit consumption has increased from 80 percent in 1970 to 86 percent in 1985.

Non-citrus fruit is driving the gain in fresh fruit consumption

	Fresh						
Year	**Citrus**	**Non-citrus**	**Total**	**Frozen[2]**	**Dried**	**Canned**	**Total**
1970	29.3	51.7	81.0	3.3	2.5	14.4	101.3
1975	29.4	55.3	84.7	3.2	2.7	11.8	102.4
1980	28.9	60.6	89.4	3.1	2.2	10.6	105.3
1985	22.5	68.8	91.3	3.3	2.9	8.5	106.0

[1] Consumption is in pounds on a product-weight basis
[2] Excludes frozen and chilled juices

Source: U.S. Department of Agriculture, *1986 Fruit Situation and Outlook Yearbook*

Consumers are eating more vegetables, more processed potatoes

	Vegetables				Potatoes	
Year	**Total[2]**	**Fresh**	**Canning**	**Freezing**	**Fresh**	**Processed**
1970	147.2	71.3	64.7	11.2	63.0	58.6
1975	169.7	74.3	81.6	13.8	54.6	68.9
1980	179.2	81.3	83.3	14.6	45.9	64.4
1985	190.9	91.1	82.2	17.6	52.1	73.4

[1] Consumption is in pounds on a farm-weight basis
[2] Excludes potatoes

Source: U.S. Department of Agriculture, *1986 Vegetable Situation and Outlook Yearbook*

These gains have been fueled by increases in the non-citrus category. Between 1975 and 1985, per-capita consumption of fresh non-citrus fruit increased 24 percent. Specific non-citrus fruits making large per-capita consumption gains since 1975 include grapes, nectarines, strawberries, pineapples and bananas.

In addition, many non-citrus fruits unheard of by American consumers 15 years ago, such as kiwi fruit, are now standard offerings in many supermarkets and restaurants. Although consumption of these exotic fruits has been small, it is growing. Per-capita consumption of miscellaneous fruit, which includes such uncommon varities as persimmons, mangoes and pomegranates, has grown 133 percent since 1975.

Fresh citrus fruit consumption is harder to evaluate since it has been adversely affected by reduced supplies and higher prices in the U.S. market due to recent freezes in Florida and Texas.

Frozen fruit consumption (excluding juices) has seen only slight growth while canned fruit experienced a large decline, falling from more than 14 pounds per person in 1970, to 8.5 pounds per person in 1985. Health-conscious consumers have shyed away from the high-sugar content of fruits packed in the traditional heavy syrup.

Per-capita consumption of dried and frozen fruit has changed little since 1975.

A greater variety of produce available

Since 1970, the variety of fruits and vegetables offered by retail food stores has grown considerably, according to a 1986 study undertaken by the Produce Marketing Association and the Food Marketing Institute in Washington, DC. The study found that the number of produce items carried by the average retail grocery store increased from between 65 and 70 in 1970 to more than 200 in 1986. And an increasing number of these produce items are less common varieties, accounting for 10 percent or more of the fruits and vegetables sold at some stores.

According to a study by the research firm Find/SVP, the demand for unusual produce items is being driven by such factors as increased consumer sophistication and awareness of food products, the growth of ethnic cooking and the growth of ethnic populations from South American, Central American and Asian nations.

This increased availability of new and different produce items has been mirrored at foodservice operations. Restaurants have added a whole slew of new fruits and vegetables to their menus, including, for example, kiwi fruit, mangoes, shitake mushrooms and jicama. Kiwi fruit, introduced years ago as a New Zealand exotic import, has become so popular that the fruit is now grown in California.

Import levels skyrocketing

More and more fruits and vegetables, many of them common produce items, are being imported into the United States. In fact, fresh vegetable imports have almost doubled since 1970. From less than 1.2 billion pounds in 1975, fresh vegetable imports topped 2.1 billion pounds in 1985—an 84-percent increase. Since 1975, fresh market imports have grown 142 percent for carrots, 4,894 percent for cauliflower, 978 percent for celery, 1,591 percent for lettuce, 226 percent for onions and 50 percent for tomatoes. Since 1983, imports of fresh broccoli have jumped 1,126 percent. The USDA expects imports of fresh vegetables to continue rising as consumer demand continues to grow. However, the rate of increase in fresh vegetable imports is expected to slow in the future.

Imports of fresh fruits have also shown gains. Between 1975 and 1985, apples and bananas, the two leading imports, showed increases of 90 percent and 55 percent, respectively. The USDA expects imports of fresh non-citrus fruit to continue rising, noting that there is increased production in the world, especially in Latin America.

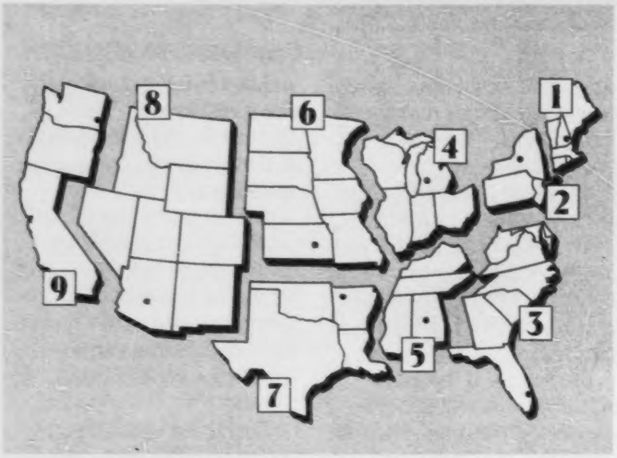
As with vegetables, imported fruit augments domestic supplies during the off season. For example, restaurateurs are able to keep blueberries, strawberries and raspberries on their menus all year long by selling New Zealand imports long after the domestic growing season has ended.

New developments in distribution

The recent emphasis on fresh and quality produce in the foodservice industry has brought about several new developments in the distribution of fruits and vegetables. In order to ensure quality, some restaurants are writing purchasing agreements with local farms. Other restaurants have elected to operate their own farms in order to directly control the crops grown and the method by which they are cultivated.

Distribution of fresh produce is changing in other ways as well. One development has been the rise of fresh processed produce—produce that is prepped before distribution to foodservice operations. A restaurant can now order pre-mixed salad for its salad bar; cored and trimmed lettuce for its served salads; and chopped onions, sliced cucumbers, broccoli florets and even melon balls.

—Laurence Greenberg



1 NEW ENGLAND

Location: Dover, NH
Association members: Wayne Picard, Teresa Picard
Operation: Firehouse One Restaurant
Profile: Upscale fullservice restaurant
In business: 7 years
Seats: 150
Meals served: Lunch, dinner

"Our business has been great since we opened seven years ago," says **Gary Russel**, Firehouse One's dining room and personnel manager. Located in the southeast corner of New Hampshire, nearly 10 miles outside Portsmouth, the restaurant is housed in a 178-year-old brick firehouse that has also served as the Dover city hall. Many features of the original firehouse remain, such as the tin plating on the interior walls, hand pumps and the pole that was formerly used to slide from floor to floor (but is now sealed off at the top with transparent formica).

The Firehouse's specialties include seafood and a 32-ounce, king-cut prime rib. *Seafood and Pasta al Dente*, one of the most popular dishes, includes scallops, shrimp and crabmeat cooked in Madeira wine and fresh cream and served on a bed of pasta.

2 MID ATLANTIC

Location: Geneva, NY
Association member: Emile Jaynes
Operation: Emile's Restaurant
Profile: Casual family restaurant
In business: 8 years
Seats: 250
Meals served: Lunch, dinner

"This year, we had a real good holiday season, and business has remained steady ever since," says **Emile Jaynes,** owner-operator of Emile's Restaurant. His casual family restaurant, positioned halfway between Syracuse and Rochester, is in New York's scenic Finger Lakes region.

According to Jaynes, Emile's location on Lake Seneca makes the restaurant an ideal year-round operation. Winter customer counts are bolstered by the restaurant's proximity to two colleges, William Smith and Hobart. In warm weather, boat lovers from the four nearby marinas frequent the restaurant.

Hamburgers, sandwiches and the soup and salad bar are favored by Emile's lunch crowd. At dinner, customers order from a varied menu that includes four types of steaks as well as lobster tails, frog's legs, *Veal Cordon Bleu and Veal* or *Steak Oscar.*

Emile's interior, with its rustic, knotted cedar walls, is warm and comfortable.

3 SOUTH ATLANTIC

Location: Hollywood, FL
Association member: Betty Neely
Operation: Tiga's Sweet Tooth
Profile: Walk-in ice cream shop
In business: 2 years
Seats: 0
Meal served: Dessert

"Business has been real good," says **Betty Neely**, manager of Tiga's Sweet Tooth, an ice cream shop on the boardwalk in Florida's Hollywood Beach. In addition to America's favorite dessert, the shop also sells frozen yogurt, Tofunette (a popular frozen tofu product), fresh fruit and fruit salads.

Hollywood is located on the sunshine state's eastern coast, between Fort Lauderdale and Miami. "It's a beautiful beach," says Neely, "but it hasn't really been discovered yet." The shop's business year can be broken down into two seasons. The winter, which extends from Thanksgiving to Easter, brings in lots of French Canadian tourists, while the summer customers are mostly local residents.

Refreshing specialties at Tiga's include the *Tiga Cone,* a homemade waffle cone filled with ice cream or fresh fruit, topped with whipped cream and cherries. Another favorite is the *Tiger Tornado*, a dessert in which fresh fruits, cookies, nuts and candies are blended into the customer's choice of ice cream.

4 EAST NORTH CENTRAL

Location: Grand Rapids, MI
Association member: Frank Lauria
Operation: Jerry's Road House
Profile: Fullservice Mexican-American restaurant
In business: 2 ½ years
Seats: 250
Meals served: Lunch, dinner

"The warm weather has been bringing in a lot of families on Fridays, Saturdays and Sundays," says owner **Frank Lauria**, "so things here have been slow during the week, and wild on the weekends." During the summer months, when many locals leave town for the weekend, the opposite pattern is usually true: Weekends are slow, and weeknights are hectic.

Lauria's Mexican-American restaurant is housed in a recently remodeled building on "the second-busiest road in Michigan." The owner does little advertising or promoting, but he has had success with billboards which advertise specials to passers-by.

Jerry's menu includes hamburgers, Reubens, shrimp, roast beef, chicken and scrod as well as Mexican specialties, such as burritos and tacos. Also popular are *Rohitas,* beef or chicken fajitas that the owner renamed in honor of the road house.

5 EAST SOUTH CENTRAL

Location: Selma, AL
Association member: Robert D. Wilkinson, Jr.
Operation: Graystone Restaurant
Profile: Country-style family restaurant
In business: More than 20 years
Seats: 120
Meals served: Breakfast, lunch, dinner

Business at Alabama's

Graystone Restaurant has been steady, says manager **Patsy Sims.** "Around income-tax time we slow down some," she says, "but it's not usually too much."

The Graystone, a traditional country-style restaurant, counts many older customers among its steady clientele.

Breakfasts at the Graystone are busy. Customers gobble up offerings, such as grits, waffles, pancakes, hash browns, ham and fresh biscuits. At lunch and dinner, popular dishes include meat loaf, spaghetti, chicken and dumplings, salad and vegetables. On Friday and Saturday nights, a $5.95 fish special includes all-you-can-eat catfish or flounder, served with coleslaw, french fries and hush puppies. During the week, customers finish off their meals with lemon meringue, coconut, chocolate cream, apple or egg custard pies. Homemade cobblers or strawberry shortcake complete the Sunday meal.

6 WEST NORTH CENTRAL

Location: Wichita, KS
Association members: Alan Bundy, Jeff Silliman, Buck Hilliard
Operation: Amarillo Grill
Profile: Fullservice grill
In business: 5 years
Seats: 200
Meals served: Lunch, dinner

"Our business has been super, and it's improving every week," says **Alan Bundy,** managing partner of the Amarillo Grill. "We offer customers consistency and value, and there's still a market for that."

There are four Amarillo Grills in Kansas, including two in Wichita. The grills are, says Bundy, "a step above the family steak house without trying to be a high-ticket restaurant." The average lunch check is $6.50, and evening diners usually spend about twice that.

The crowd at the Amarillo Grill is varied. It includes customers in both suits and jeans, but few families. "In general, we focus on providing a comfortable atmosphere for adults," Bundy explains.

The house specialty is mesquite-grilled steaks. "Everyone says people are shying away from red meat," says Bundy, "but we haven't noticed that at all." Other popular items include hamburgers, fajitas, salmon and red snapper.

7 WEST SOUTH CENTRAL

Location: Fayetteville, AR
Association members: Terri Moeller, Joe Fennel
Operation: Jose's Incorporated
Profile: Fullservice Mexican restaurant
In business: 7 years
Seats: 260
Meals served: Lunch, dinner

"Fayetteville's economy is down a bit, but ours is one of the few restaurants in town whose business has remained consistent," says **Terri Moeller**, manager of Jose's.

When the Mexican restaurant first opened, it catered mainly to students because it is located two blocks away from the University of Arkansas. But the owners soon decided to go after more of the family market. Food and drink promotions geared to families and older professionals have allowed Jose's to get a leg up on the five other Mexican restaurants in Fayetteville. On Sundays, for example, customers enjoy half-priced margaritas, while children under 12 eat free and are entertained by coloring contests. "The kids are happy," says Moeller, "and their parents are happy, too."

Jose's is decorated in a festive Mexican style, with hanging pinatas and brightly colored paper flowers. The menu includes traditional Mexican fare, including such favorites as chimichangas and beef and chicken fajitas.

8 MOUNTAIN

Location: Scottsdale, AZ
Association members: Dee Ann Skipton, Joe Serbeck
Operation: The Impeccable Pig Incorporated
Profile: Fullservice restaurant/antique store
In business: 8 years
Seats: 100
Meals served: Lunch, dinner

"Our business has been real strong recently," says **Joe Serbeck**, general manager of The Impeccable Pig. "Scottsdale's economy is booming," he adds, and, between October and April, the restaurant's business gets a boost from winter vacationers.

The restaurant's decor changes frequently; it is located within an 11,000-square-foot antique shop, and most of the eatery's furnishings are for sale. "We've even had people come in and buy tables and chairs that were being used by a party," says Serbeck. "Of course, we don't scoot away the people who are eating. We wait until lunch is over."

The focal point of the restaurant is an elevated open kitchen, which owner Skipton used for cooking classes before opening the restaurant. The menu changes daily, but usually includes fresh dishes, such as rack of lamb, shrimp scampi, monkfish and, of course, pork. One of the most popular appetizers is *Brie in a Puff Pastry Shell.*

9 PACIFIC

Location: Colfax, WA
Association member: Dick Miller
Operation: Allen's Restaurant
Profile: Homestyle fast food restaurant
In business: 7 years
Seats: 70
Meals served: Breakfast, lunch, dinner

"We're in the midst of our best year ever," says **Dick Miller**, owner of Allen's Restaurant. Miller also is looking forward to a busy summer because the eatery usually does one-third of its yearly volume in June, July and August.

Allen's originally opened 24 years ago as an A&W Root Beer stand, but, when Miller took over in 1980, he decided to "reverse the trend by going back to basics." Now, all his food is prepared on premises, and it has paid off, says Miller, in low food costs and a loyal clientele.

Allen's, which is located on the edge of a small farming community 62 miles south of Spokane, opens at 5:00 a.m. and does a strong breakfast business. "We do it right," says Allen. "Everything is pan-fried and fresh." One of his specialties is *Bacon Gravy*, a bacon-based gravy served over homemade biscuits.

At lunch and dinner, popular dishes include hamburgers, pizzas, fish cutlets, steak sandwiches and homemade chili and soups. Two operational throwbacks to the A&W days are table telephones, over which the customers place their orders, and car service, which accounts for nearly one-third of Miller's business.

—David Slater

FOODFORTHOUGHT

Fast cash for fast food

If Wendy's newest experiment is successful, cashless people won't have to be burgerless anymore. The Dublin, OH-based chain is testing debit bank machines at four of its Dayton units.

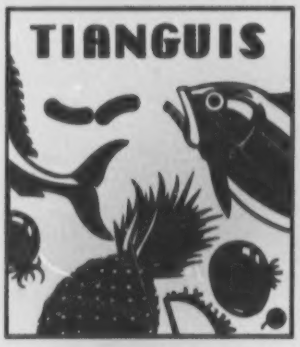
To use the machines, a customer slips in a plastic bank card, pulls out a $10 receipt and takes it to the counter to pay for food. The machine moves $10 from the customer's account to a Wendy's account. Change for the purchase is in cash.

The machines are being tested as an alternative to accepting credit cards. "There's been talk of that in our industry," says spokesman Denny Lynch. "It would be a nightmare with all the carrying charges for $1 and $2 purchases."

Officials at Wendy's are not certain if they will expand use of the terminals. "We're just fishing around," says Lynch. *—USA TODAY*

A super Mexican market

Supermarkets traditionally have marketed ethnic products in the same manner as all other merchandise. But Vons Grocery Co., realizing that Southern California's population will be 40 percent Hispanic by 1990, has decided to approach this fast-growing market from a new angle. The company recently opened the first of its Mexican-oriented supermarkets in Montebello, CA, south of Los Angeles.



The 60,000-square-foot Tianguis—an Aztec word for marketplace—features many aspects of a Mexican open-air market. There is a "pescaderia" with fresh fish and seafood, a "fruteria" offering fresh fruit and fruit drinks, a "carniceria" featuring thinner cuts of meat and a "tortilleria." The large amounts of fresh foods are counterbalanced by Tianguis' small frozen food section.

Although Tianguis is directed almost exclusively at Mexican Americans, future stores may cater to concentrated areas of other Central American or South American populations.

All store signs, advertisements and employees—hired mostly from the community—are bilingual. *—Nutrition Week*

The potent effect of the first brew

Anthropologists have long wondered what led ancient humans, 10,000 years or so ago, to settle down and begin growing and harvesting crops. Dr. Solomon H. Katz of the University of Pennsylvania believes he knows the answer: beer.

According to Dr. Katz's hypothesis, outlined in *Expedition,* the journal of the Museum of Archeology/Anthropology at the University of Pennsylvania, prehistoric humans accidentally discovered that wild wheat and barley soaked in water to make gruel, if left out in the open air, did not spoil. Instead, the natural yeast in the air converted it to a dark, bubbling brew that was high in protein and, best of all, made you feel good. Dr. Katz contends that the combination of mood-altering and nutritional properties would have been incentive enough to cause neolithic hunter-gatherers in the Near East to begin cultivating the grains. *—The New York Times*

Burgers and flying buttresses

When McDonald's Corporation, which averages one restaurant opening every 17 hours, needed some fresh architectural ideas, it turned to the generation that had been raised in the shadow of the arches. The fast food giant solicited designs for the McDonald's of the future through the McDonald's Student Design Competition.

The top entries in the contest were a two-story Spanish Mission-style restaurant and something that can best be best described as retro-Mac: a modernist version of the original 1955 McDonald's drive-up that is still standing in Des Plaines, IL.

The winning designs won't be on the drawing boards soon, however, says McDonald's chief architect Fred Matthias. Only fragments of the students' best work will be incorporated into future designs. *—USA TODAY*

Helping kids arrive alive

Taco Time International, Inc., Coca-Cola, Inc., and Oregon Student Safety on the Move (OSSOM), are co-sponsoring a program designed to help high school students who need a safe ride home. They are distributing more than 60,000 FRIENDS ARE OSSOM cards to Oregon teenagers.

The wallet-sized cards have the name and phone numbers of friends the carriers can call to get a safe ride home if they cannot safely drive or if they are with a friend who should not be driving.

The distribution of the cards began in October 1986 through Oregon high schools, and it now is being carried on by Taco Time restaurants in the state. All of Taco Time's 58 company and franchisee-owned restaurants in Oregon are involved in the program. The restaurants are offering special discounts as an incentive to students to carry the cards. *—Taco Time International, Inc.*

America's Hospitality Industry is a special world…
offering the chance to earn a living doing
what you like to do most.

FOR THE LOVE OF IT!

"Ours Is A Special World" and "America's Hospitality Industry" are service marks of the National Restaurant Association and used by related hospitality associations.

OURS IS A SPECIAL WORLD!
AMERICA'S
HOSPITALITY
INDUSTRY

DESIGN DIRECTIONS ■ OLIVE OILS ■ WINE LISTS

THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 7 NO. 6 JUNE/JULY 1987

RESTAURANTS USA

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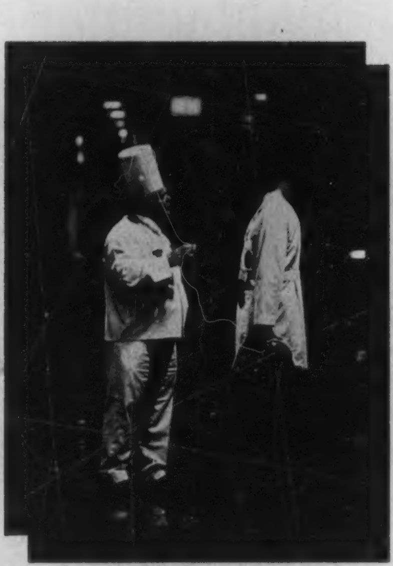
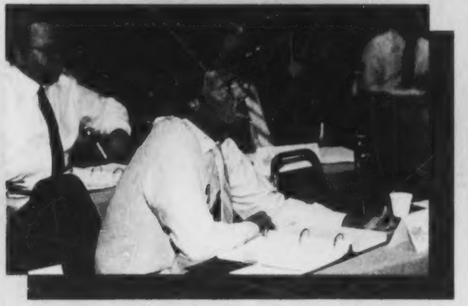
1987 Show Report



It was a one-on-one meeting of 102,000 foodservice professionals.



There were operators, managers, suppliers and educators. They talked about products, services and techniques. Ideas passed from one person to another. Trends were analyzed. Innovations were discovered. It was a success.

Make good food look great.

ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

7/20	Columbus, OH
7/21	Cleveland, OH
8/13	Annapolis, MD
9/9	Mystic, CT
9/14	Baltimore, MD
9/21	Colorado Springs, CO
9/23	Albuquerque, NM

Increasing Sales: Effective Front-of-the-House Management

8/24	New Orleans, LA
8/26	Kansas City, MO
9/21	Grand Rapids, MI
9/23	Milwaukee, WI

Kitchen Management

7/20	Burlington, MA
7/21	Newark, NJ
7/28	Austin, TX
8/10	Rochester, NY
8/20	Oklahoma City, OK
8/24	Orlando, FL
9/10	Covington, KY
9/14	Eugene, OR

Tools for Training

9/9	Des Moines, IA
9/10	Rosemont, IL
9/21	Minneapolis, MN
9/22	Indianapolis, IN

Food Production Courses

Perfecting Your Culinary Skills

8/10	Boston, MA
9/15	Atlantic City, NJ

Simplified Baking Workshop

7/29	Grand Rapids, MI
8/24	Portland, OR
8/26	Seattle, WA
9/16	Greenbelt, MD

Soups and Sauces

8/3	Cincinnati, OH
8/5	Charlotte, NC

Foodservice Management Courses

Banquet Management

7/27	Baltimore, MD
8/10	St. Paul, MN
9/15	Anaheim, CA
9/17	Burlingame, CA

Beverage Management

7/21–22	Indianapolis, IN
8/4–5	Atlanta, GA
9/16–17	Uniondale, NY

Employee Motivation

7/21	Louisville, KY
7/23	Rosemont, IL
9/9	Toronto, Ontario, Canada

Food Cost Management

7/22	Portland, OR
8/5	Lincoln, NE
8/18	Trumbull, CT
9/8	Tucson, AZ
9/15	Atlantic City, NJ

Foodservice Operators' Legal Workshop

7/20	Atlanta, GA
9/8	Tucson, AZ
9/16	Wilmington, DE

Menus That Sell!

7/27	Sarasota, FL
9/14	Atlantic City, NJ

Off-Premises Catering

7/27–28	Boston, MA
8/11–12	Milwaukee, WI
8/25–26	Dallas, TX
9/14–15	Atlantic City, NJ

Operational Analysis

7/30–31	Philadelphia, PA
8/4–5	Seattle, WA
9/17–18	Boston, MA

Planning and Implementing Restaurant Marketing Strategy

9/2–3	San Francisco, CA
9/22–23	Newport, RI

Planning Successful Buffets

7/20	Madison, WI
8/11	Burlington, VT
9/1	Ft. Worth, TX
9/9	Hyannis, MA

Profitability

9/22	Charlotte, NC
9/23	Williamsburg, VA

Real Estate and Restaurant Site Selection

8/17–18	Chicago, IL

Sanitary Assessment of the Foodservice Environment (S.A.F.E.)

7/27	San Francisco, CA
7/28	Anaheim, CA
8/17	Pittsburgh, PA

Wine and the Bottom Line

8/13	Scottsdale, AZ
8/25	Bethesda, MD

NATIONAL CONFERENCES

National Conference on Hotel Food & Beverage Management

8/16–18 Las Vegas, NV

Wine Workshop

9/12–24 Burgundy Region, France

Independent Foodservice Operators' National Conference

1/24–26/ 1988 Miami, FL

For more information, contact National Restaurant Association Education Foundation 311 First St., N.W., Washington, DC 20001; (800) 424-5156 or (202) 638- 6100

If your company is interested in our in-house programs, contact Frank Doyle at the association's Washington, DC, office.

STUDY GROUP MEETINGS

Financial Officers

10/7–9 Denver, CO

Foodservice Purchasing Managers

9/10–11 Toronto, Ontario, Canada

Internal Auditors

9/15–18 Las Vegas, NV

Large Independent Operators

8/19–21 Boston, MA

Management Information Systems (MIS—formerly EDP)

10/13–16 Lake Tahoe, NV

Marketing Executives

10/18–20 Lake Tahoe, NV

Multi-unit Architects, Engineers and Construction Officers (MAECO)

9/16–18 Las Vegas, NV

Quality Assurance

10/28–30 Hilton Head, SC

Safety Officers

7/20–22 Seattle, WA

Tax Executives

10/7–9 Denver, CO

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

Published by the National Restaurant Association

RESTAURANTS USA

VOL. 7 NO. 6 JUNE/JULY 1987

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Restaurants USA (ISSN 0890-5584) is published monthly, except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one-year subscription to ***Restaurants USA***. The non-member subscription fee is $125 per year. Second-class postage paid at Washington, DC 20001 and additional mailing offices.

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Postmaster, send address change to ***Restaurants USA***, 311 First St., N.W., Washington, DC 20001.

PRESIDENT'S REPORT

Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc.; Louisville, KY

At any time, it would be a great honor to be elected president of the National Restaurant Association. But as I contemplate the state of the foodservice industry as demonstrated by the size and scope of last month's Show, I can't help but feel that today, more than ever, I am privileged to assume my new title of President and Chairman of the Board. The sheer number of attendees at the Show—102,000 at last count—is a tribute to the strength of our industry and our association, and I am proud to be a part of it.

There is no better time to be in the restaurant industry. Business is booming across the nation. Consumers are demanding quality and creativity when they eat out, and operators are responding with new concepts and services. But just as the prominence of our industry breeds success, it also places our businesses in jeopardy. The top priority throughout my term as president will be to guard the foodservice industry against the critcisms, regulations and hostile legislation that always seem to accompany success.

Association continues to fight minimum wage increase

A proposed increase in the minimum wage is the foremost issue we are now fighting in Washington. Last month, I testified before Congress on the detrimental effect such an increase would have on businesses that depend heavily on part-time or entry-level workers. An increase in the minimum wage would *not* mean more money for these workers; it would instead mean that many would be out of jobs since employers would be forced to cut back on work hours to counteract the wage increase.

To the congressional argument that an increase in the minimum wage would help the "working poor," we are responding with a just-completed National Restaurant Association survey which reveals that only one in 10 minimum wage earners are members of poverty-level households. We are pointing out that raising the minimum wage misses the target: It would affect middle-class youth and the spouses of heads of households, but it would have very little effect on families living below the poverty level.

These are just some of the facts we are presenting to Congress. We have also asked the state restaurant associations to help us organize meetings between their members and their senators regarding minimum wage. We hope for 100 meetings in 50 states.

In short, we are leaving no bases uncovered in our opposition to an increase in the minimum wage. I will continue to keep you posted on the progress of our efforts.

Other pending legislation we are monitoring closely in Washington include a proposed FICA tax on tips, new regulations mandating health insurance and parental leave, and any developments in the immigration law. We are evaluating the effects these issues would have on the industry and are posturing our arguments accordingly. Again, I will keep you posted.

Video explains immigration law

The association is preparing a short videotape that explains how to comply with the regulations of the new immigration law. Whether you are hiring U.S. citizens or registered aliens, you must fill out the appropriate form. This videotape, entitled *Complying With the New Immigration Law*, tells what the law requires of employers. It is available through the association's publications department.

National Conference on Hotel Food & Beverage Management

In other association news, we are planning the first National Conference on Hotel Food & Beverage Management, August 16-18, at Caesar's Palace in Las Vegas. Hotel foodservice, once regarded as a "necessary evil," has become a sophisticated and profitable element of a hotel's overall marketing package. This conference is a must for all current and prospective hotel foodservice managers who want to improve their operations. Register today.

VideoTraining catalogue

By now you should have received a copy of the association's VideoTraining program catalogue. This catalogue outlines the series of training tapes available from the association's video library, including the Waitstaff Training Series, the Back-of-the-House Training Series, and the newly completed series on Wine Service, which will be available for purchase by the end of this month.

New publications available

A number of new publications are available from the association's research department this month, including a primer on *How to Recruit, Hire and Retain Employees* and *Beverage Research: A Consumer Attitude Survey*. Also available this month is *1985 in Review*, an in-depth look at the state of the foodservice industry in 1985. Simply fill out the card enclosed in this issue of ***Restaurants USA*** to receive your free copy.

Phase two for "Ours is a Special World"

On the promotional front, "Ours is a Special World," the nationwide campaign to boost the image of the hospitality industry as a source of rewarding careers, moves into phase two this summer. This new phase is geared toward prospective foodservice employees. Through vocational guidance centers and through advertisements in publications targeted toward teens and other likely labor sources, we will tell potential employees about the career opportunities that exist in foodservice.

Plan for Grandparents Day

Grandparent's Day—September 13 this year—is fast approaching. It is not too soon to begin promoting this holiday in your restaurant. Look for ideas in the special issue of ***PRO-MOTION*** newsletter, which will be mailed to key association members later this month. Table tents and posters can be ordered from the association to round out your promotional efforts.

Finally, it is my pleasure to welcome the 130 new members who joined the association in June. Your participation in the association will benefit your business and will make the association more effective in its representation of the foodservice industry.

Sincerely,

Michael J. Grisanti
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: 1987 SHOW

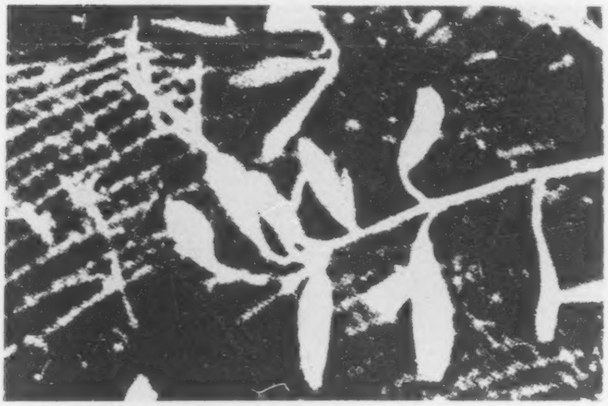
9 The Show, for all of its miles of exhibits and thousands of attendees, is really a one-on-one experience. Attendees come not as spectators, but as participants. They are there to ask questions, take notes and go home with more information than they could possibly find anywhere else. This year's Show Report takes a look at the Show as a source of products, services and ideas. It provides lists, leads and tips you can use in your operation.

SPECIALS

20 Bye, bye mess hall blues
The army is adding culinary awards to its stripes. A well-organized training program and an annual culinary competition among army teams is turning recruits into top-ranking chefs.

22 New directions in restaurant design
Design trends in the restaurant industry are hard to call—they change so quickly. To give you an idea of where restaurant design is headed, nine top designers discuss major design directions.

27 Shorter, smaller wine lists make more dollars and sense
Written by a judge in this year's Wine Classic, this "Viewpoint" explains why many restaurateurs are turning toward smaller, more discriminating wine lists.



28 Handpicking the right olive oil
In Europe, olive oil is used almost as a condiment. Because chefs here are beginning to appreciate the versatility and flavor of good quality olive oils, this article presents brand ratings and offers tips for judging and rating the oils.

32 A dictionary of fats
If you don't know the difference between vegetable and baking shortenings or what makes polyunsaturated fats different from saturated fats, this dictionary will clear up any confusion.

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- ☐ Curing the wine list jitters
- ☐ Starting in the business early

Cover photographs by Neil MacDonald and Michael Weinstein

SHORTORDERS

American Express recognizes outstanding service

American Express Travel Related Services Company, Inc. has launched its "Service Excellence" program. Open to cardmembers and restaurants, hotels and some other retail establishments that honor the American Express card, the program recognizes employees who demonstrate an outstanding commitment to providing quality service.

Initially, employees in nine major cities across the country—Atlanta, Boston, Chicago, Dallas, Los Angeles, New York, Philadelphia, San Francisco and Washington, DC—are eligible for the award.

American Express cardmembers are encouraged to identify employees who "go out of their way to be friendly, respectful and helpful." Owners and general managers of establishments are asked to nominate one employee for the award. Nominated employees should have direct public contact on a regular basis, should approach customers with a positive attitude and go out of their way to ensure satisfaction.

Each employee identified for the award will receive a letter of thanks from American Express and a special lapel pin.

Nominated employees, their employers and participating cardmembers are automatically entered into a sweepstakes. A total of 171 winners will win cash and vacation prizes, including $54,000 in American Express Travelers Cheques, a one-week stay in Paris and London and $100 Be My Guest gift certificates—good for dining in restaurants across the country that accept the American Express card.

Winners will be announced in September in full page advertisements in major daily newspapers in the targeted markets.

To participate, restaurants honoring the American Express card must complete and mail in nominations by Aug. 21, 1987. In lieu of filling out the official nomination form, restaurant owners or managers can complete a 3" x 5" card with the following information: their name, nominee's name and title, their business address and the words "American Express Award for Service Excellence Sweepstakes." Cards should be mailed to: American Express Award for Service Excellence Sweepstakes, P.O. Box 2144, Dept. SE, Boston, MA 02106-9921. One entry per establishment.

AMERICAN EXPRESS CO.
SERVICE

Each employee identified for the award will receive a letter of thanks and this special lapel pin.

Association gets new logo

NATIONAL
RESTAURANT
ASSOCIATION

Michael A. Grisanti, president of the National Restaurant Association, unveiled the association's new logo at a press conference at the association's annual Show in Chicago on May 17.

The new blue and red logo, which is composed of the words "National Restaurant Association" below a rule and a star, was selected after months of deliberation by a special committee chaired by National Restaurant Association Director Stephen E. Elmont.

The star in the logo's upper right hand corner symbolizes the "quality of the association as well as the national scope of its membership activities," Grisanti explained.

"The new logo will project a sharp contemporary image for the association as it moves into the 1990s and beyond." He added that "by using the association's full name, rather than the initials, we hope to eliminate confusion with other organizations." The new logo will be implemented this summer.

Conference on employing older workers in foodservice

Celebrated seniors Helen Hayes and Art Linkletter will speak at "Experience at Work: Employing the Older Worker in the Food Service Industry," the first national conference addressing foodservice employment of workers who are 55 years old and older. The conference, presented by the American Association of Retired Persons (AARP) and the National Restaurant Association will be held at the J.W. Marriott Hotel in Washington, DC, July 23 and 24.

In addition to Hayes and Linkletter, conference speakers include leaders of major national service organizations and large foodservice employers, job training experts, private and public policy makers and advocates of rights and opportunities for older people.

"Experience at Work" which addresses questions of social security, worker benefits, health, safety and training programs also spotlights the successful employment programs at Arby's, Kentucky Fried Chicken, McDonald's, Wendy's, Marriott and General Mills restaurants.

For more information contact Brother Philip Nelan, National Restaurant Association, 311 First St., N.W., Washington, DC 20001, or phone (800) 424-5156 or (202) 638-6100.

Discounts on business phone calls

The National Restaurant Association has reached an agreement with MCI to make a 10 percent discount available on long-distance business charges to restaurants and vendors that are members of the National Restaurant Association.

"Some members can save most or all of their annual dues in telephone savings alone," says Don Ethier, director of membership and marketing.

Grisanti continues fight to fend off minimum wage hike

National Restaurant Association President Michael Grisanti (Grisanti, Inc.; Louisville, KY) told a House Education and Labor subcommittee on April 30 that increasing the minimum wage would eliminate entry-level jobs and price the unskilled out of the job market. Grisanti spoke at the invitation of Rep. Austin Murphy (D-PA), the subcommittee's chairman.

The primary bills to raise the minimum wage are expected to be H.R. 1834, introduced by Rep. Augustus Hawkins (D-CA), and S. 837, sponsored by Sen. Edward Kennedy (D-MA). These labor-backed bills would raise the minimum wage to $4.65 by 1990 and then increase it yearly as needed to maintain it at 50 percent of the average hourly private-sector wage for nonsupervisory workers. The legislation would not change the 40 percent tip credit.

Proponents of an increase say that the minimum wage no longer provides a "living wage," citing the fact that the income earned by a person working full time for the minimum wage now falls below the poverty line that the government sets for a family of three.

But the overwhelming majority of minimum wage earners do not head households of three or more persons, Grisanti told the subcommittee. Most minimum wage earners are part-time workers under 25 years of age—primarily students and young people just entering the work force, said Grisanti. Raising the minimum wage, he pointed out, is "targeting one group for help and hitting another. The minimum wage does not function as an effective anti-poverty tool."

Moreover, most economists agree that an increase in the minimum will lead to decreases in employment—cutbacks in restaurant operating hours or employee hours, for example, or elimination of positions.

Grisanti noted that those with the least experience and fewest skills will be the first to suffer. "I urge you to give painstaking attention to the types of jobs affected by a minimum wage increase," Grisanti said. "Raising the minimum wage puts a higher price on the heads of the least productive, lowest-skilled workers. Higher-skilled workers can, in a sense, 'justify' higher wages because they are more productive. But those workers on the fringes of the work force will not have the education, experience or skills to command higher wages," he maintained.

"Those lowest-skilled workers need jobs to gain experience. Unfortunately, every time the minimum wage is increased, these entry-level job opportunities slip further and further away from the unskilled and inexperienced."

The foodservice industry is in a position to offer jobs to large numbers of untrained persons, Grisanti told the subcommittee. However, he noted that "because the industry is so competitive, there is an upper limit to the amount of increased labor costs operators can pass on to customers."

Opponents of an increase are in for a battle, however. In his opening remarks at the hearing, the committee chairman told the group, "I firmly believe that workers need a raise. Employers should help Congress determine the appropriate size."

Chafee calls proposed FICA increase "nonsense"

Sen. John Chafee (R-RI), a member of the Senate Finance Committee, said he opposes President Reagan's plan to require employers to pay Social Security (FICA) taxes on all reported tips. Speaking recently to the association's Government Relations Committee, Chafee said he did not think the industry-opposed proposal would be approved by Congress. However, Chafee said he believes a moderate increase in the minimum wage will occur, with annual increases following along the line of $3.70 an hour in 1988, $4.00 in 1989 and $4.25 in 1990.

INS releases final immigration regulations

On May 1, 1987, nearly five months after major immigration legislation was signed by President Reagan, the Immigration and Naturalization Service (INS) released final regulations implementing the new law.

And now, for the first time in U.S. history, the INS will penalize employers who either knowingly hire unauthorized workers or who fail to maintain the required paperwork. Sanctions against employers who violate the law will be phased in beginning July 1, 1987, although until May 31, 1988, INS will issue only warnings to first-time offenders.

Filling out and retaining the I-9 form

Employers must fill out I-9 forms (Employment Eligibility Verification Forms) for all employees hired on or after Nov. 7, 1986. These forms are designed for verifying that new employees are either U.S. citizens or aliens authorized to work in the United States.

Filling out the I-9 is a three-step process: The employee fills out section 1, supplying brief biographical data and attesting authorization to work in the United States. The employee then presents documents proving his identity and eligibility to work. The employer must examine these for authenticity. Finally, employers fill out section 2 of the I-9, noting which documents they have examined and attesting that the individual appears to be eligible for employment.

INS provides a complete list of acceptable documents in its *Handbook for*

Employers, due to have been mailed out at the end of June. Employers may also refer to the National Restaurant Association's *Immigration Reform: An Operator's Guide to the New Immigration Law*.

Once the I-9 has been filled out, the employer must keep the form on file for at least three years from an employee's date of hire. If a worker is employed for longer than three years, the employer must keep the I-9 for one year after the individual leaves employment.

INS officers have the right to inspect I-9's upon demand after giving three days advance notice. No subpoena or warrant is required for such inspection, and any refusal or delay in presentation of the I-9's is a violation of the law.

Which workers must be verified and when

Employers have until Sept. 1, 1987, to complete I-9's for all workers hired between Nov. 7, 1986, and May 31, 1987. I-9's do not have to be filled out for workers who were hired during this period but who quit or were fired before June 1.

For workers hired on or after June 1, 1987, employers must complete I-9's within three business days of the day an employee begins working. Employees who do not have the appropriate documents have three business days to produce a receipt proving they have applied to get the document. The document itself must be shown to the employer within 21 days.

INS makes a special exception for those illegal aliens who are applying for legal status. Employers can hire or continue to employ these aliens without fear of penalty until Sept. 1, 1987. Amnesty applicants have until that date to show their employers documents proving their work eligibility. Employers should just note on the I-9 form that the employee is applying for amnesty.

Employers do not have to verify the employment eligibility of workers hired before Nov. 7, 1986. Even though some of these employees may be illegal aliens, the new law "grandfathers them in" for employment purposes. These workers lose their grandfather status if they quit, are terminated or are deported from the United States. They retain their status, however, if their employment is temporarily interrupted due to leave for study, illness or disability of a family member, illness, pregnancy, vacation, strikes and layoffs.

Penalties

The "citation period"—from July 1, 1987 through May 31, 1988—will be a period of combined public education and law enforcement. INS will work with employers and others to promote understanding of the new law. During the citation period, employers can be fined for only second or subsequent violations of the law. Beginning June 1, 1988, *first* violations will result in penalties.

Criminal penalties will be levied for regular, repeated and intentional violations.

Kennedy introduces health care benefits bill

Sen. Edward Kennedy (D-MA) has introduced his much-talked-about plan to require employers to provide health insurance to *all* full-time workers. On May 19, Kennedy held a hearing on the bill, S. 1265, before the Senate Labor and Human Resources Committee, which he chairs. Another hearing on the bill was scheduled for June. The National Restaurant Association and other business groups oppose the bill.

Long a supporter of national health insurance, Kennedy now proposes the private sector pay the costs of making a basic health insurance plan available to all workers. Under the bill, employers would be required to offer at least a minimum package of benefits to their employees, and the employees would be required to accept it.

According to the senator, "A minimum benefit package does not mean Cadillac plans or first-dollar coverage of health expenses. . . . It means basic protection against the financial burden of major illness."

Here are the basics of the Kennedy plan:

☐ a health care package must be offered to all full-time workers and their dependents (full-time worker is someone who works at least 17.5 hours a week)

☐ the basic package must cover hospital and physician care, diagnostic tests, prenatal and well-baby care; it must also offer catastrophic coverage, with a limit of $3,000 on the insured's out-of-pocket expenses

☐ deductibles would be limited to $250 per person, $500 per family

☐ employers would have to pay 80 percent of the cost of the premium and

☐ employee copayments would be limited to 20 percent of the health care costs.

Kennedy estimates that his bill will cost employers about 45 cents an hour per employee, the equivalent of about a 14 percent increase in the minimum wage. However, the costs are expected to be much higher in the restaurant industry. Foodservice has a high number of part-time workers, many of whom would be covered under the bill's liberal definition of a full-time worker. Moreover, the bill requires an employer to pay 100 percent of the premium for "low-income" workers, defined as those making less than $4.19 an hour.

Because Kennedy readily acknowledges that "the smallest firms have the largest problems in providing health insurance," his bill would establish a structured choice system in each geographic region through which small employers could obtain the benefits of community rating, group purchasing power and lower administrative costs.

Kennedy also said he expects to introduce tax legislation that would place smaller businesses on a more equal footing with larger corporations in providing health insurance, but small business advocates in Washington say these provisions will not go far enough in making health coverage affordable for small firms.

In the House, Reps. Henry Waxman (D-CA), Augustus Hawkins (D-CA), William Clay (D-MO) and Austin Murphy (D-PA) have introduced H.R. 2508, legislation identical to the Kennedy bill.

—Jay Morris
—Denise Roach

1987 SHOW REPORT

THE SHOW—THE SOURCE

This year's Show brought together more than 102,000 foodservice operators, suppliers and educators to meet one-on-one—one person passing along information to another.

Each year the Show grows. But what does that growth mean to the individual operator or manager who comes to the Show with a checklist of needs? The size of the Show relates directly to the number of available sources—from equipment innovations to management techniques. The more people who attend, the more opportunities there are to discover products, services and ideas which can solve problems and create opportunities.

For example, Show attendees could have discovered the technology for drive-thru systems or a new variety of clam that is deep purple or red. They could have learned the secrets of Rich Melman's success or ways to develop motivated employees. And they could have gone home with new ideas for their menus, wine lists and plate presentations by taking note of the entries in the American Culinary Classic, the Wine Classic winners and the 17th annual Culinary Salon displays.

Read through the coverage of this year's Show Report and you will quickly find out why we titled this year's coverage "The Source." There is no other marketplace in the foodservice industry that brings together so many people, so many products and so many ideas all designed to improve the business of foodservice.

G. "Jim" Hasslocher, outgoing association president, congratulated his successor, Michael Grisanti.

New association President Michael Grisanti and wife Paula enjoyed comedian Tom Dreesen and singer Marilyn McCoo at the Show's Grand Banquet.

LOCAL RUNNER WINS 10K RACE

More than 3,000 runners crossed the finish line in Chicago's largest 10 kilometer run—the seventh annual Main Course race sponsored by the association and held during the Show.

Craig Young, 30, from Rockford, IL, led the runners with a time of 30:13.

Craig Young

Grace Wilson, winner of the women's division with a time of 36:08, was a Show participant and member of the Coca-Cola team from Atlanta. Coca-Cola placed second among the Show participants. Stroh's placed first, and Leona's Pizzeria placed third.

But the most popular awards of the Main Course were the "You don't have to win, to win" random drawings. In addition to complimentary dinners and weekends at many of Chicago's finest restaurants and hotels, the grand prize in this category was a trip for two to any of United Airline's U.S. destinations. The grand prize this year was won by Sven Overland of McHenry, IL.

AMERICAN CULINARY CLASSIC UP CLOSE

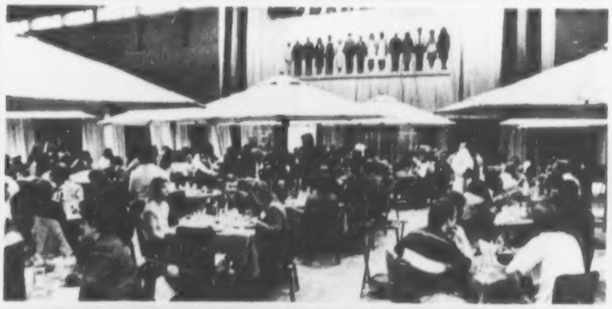
WEST GERMANY

The West German team triumphantly marched into the Salute to Excellence awards dinner to receive honors. The team was the American Culinary Classic's overall winner.

The U.S. team's intense effort in the competition kitchen paid off. The team took first place in the hot food competition.

For four days, crowds of onlookers watched intently, took notes on preparation and presentation techniques and vied for one of the 200 seats in the specially constructed dining area which served the menus prepared daily by members of the American Culinary Classic—the first world-class cooking competition featuring international culinary teams to be held in the United States. The competition presented Show-goers with a unique opportunity to watch professional chefs from around the world display their skills in both hot and cold food competitions.

Eight international teams showcased their talents—Belgium, Canada, Great Britian, Italy, Singapore, South Africa, the United States and West Germany. The overall winners, based on a combined score from the hot and cold food events, were West Germany, the United States and Singapore, in that order. In the hot food competition, the United States team captured top honors, followed by West Germany and Singapore. The West German team was awarded first place in the cold food competition, with Singapore second and the United States third.



Each day 200 Show attendees sampled the delicacies created by the competing international teams.

Hot food competition

The hot food competition was a learning experience for both the chefs and the audience. Many of the international teams had never experienced a competition with mystery baskets of ingredients—an American innovation. While most competitions allow chefs to prepare their menus months in advance, the mystery box concept challenges chefs to prepare menus from a list of ingredients they are given only 24 hours before the actual cooking begins. Each team received a different mixture of ingredients, carefully chosen to provide comparable groupings of seafood, meats, vegetables and fruits. Using the assigned ingredients, the teams had to prepare 50 servings of two different three-course meals. The international team of judges then rated the dishes on taste/texture, presentation, composition, utilization of ingredients, workmanship, cleanliness and timing.

The teams found the concept stimulating. "Working with a mystery basket really makes you think," said Stephen Miller, the British team manager. "And that is what being a top chef is all about—being able to produce creatively."

For Show attendees, the competition provided an upclose view of an international range of new ideas, techniques and cooking styles. The South African team, for example, demonstrated the unusual flavor combinations inherent in authentic South African cooking. "Our food is generally spicy with ingredients, such as peppers and curry sauces, combined with fruits," explained team manager Bill Gallagher.

The Singapore team brought the artistry of the Orient to the American Culinary Classic's cold food competition.

U.S. MENUS

Menu A

Oysters Delmarv
Poached oysters with fish mousse wrapped in spinach and rolled with multicolored strips of pasta. Served with a light cream and tomato butter sauce.

Spring Chicken Northern Woods
Roasted chicken breast with sauteed wild mushrooms; smoked chicken on braised lentils and chicken sausage with braised cabbage. Served with carrot/potato pie.

Strawberries San Juaquin Valley
Strawberry Bavarian cream served in an almond tart shell with a custard sauce and a chocolate garnish.

Menu B

Pork Tenderloin Bartlett
Pork tenderloin marinated in a spicy Cajun sauce, blackened and roasted. Served on top of a salad of bibb and red oakleaf lettuce with julienne of pears; tossed with an orange juice and vinaigrette dressing.

Lake Fish Ozarks
Trout filets, boned and skinned (shaped like teardrops), with a pike mousse made with saffron, fresh herbs and white wine. Served with a puff pastry stuffed with sauteed shallots and mushrooms. Accompanied by asparagus sauteed with garlic and olive oil and steamed slightly in chicken stock.

Citrus Florida Sunshine
Simple lemon tart, not too sweet. Bright dough sunbursts added a little extra touch to the back of the pie crust.

LAKE FISH OZARKS

Serves 8

Ingredients:

8 4-oz. boneless trout filets
1 lb. pike filet
1½ cups heavy cream
2 egg whites
1 Tbs. white wine reduction
fresh dill, fresh parsley, washed and chopped; salt and white pepper to taste
butter
½ cup white wine
1 cup diced shallots
1 cup fish stock

Method:

1. Skin filets and shape into a teardrop form.
2. Puree pike, egg whites, wine reduction, fresh dill and parsley in blender, always keeping mixture cold.
3. Place fish puree in an ice bath and, while whipping slowly, dribble in the heavy cream. Season to taste.
4. Use a pastry bag to pipe the mousse into the center of the trout filets.
5. Butter the bottom of a shallow roast pan and sprinkle with shallots, fish stock and white wine. Place fish on top. Cover tightly and bake at 350°F for 10 minutes.

Their *Chicken St. Lucia*, for instance, featured baby chickens marinated in a raspberry vinaigrette, stuffed with veal and savory rice, wrapped in pineapple and baked with honey.

Onlookers could also take home new ideas for preparing old favorites. The Singapore team, for instance, transformed a basic loin of beef into a delicate piece of art by wrapping each entree in a woven pastry shell. Although it took more than five hours to prepare the pastry, cut it into strips and weave it around each piece of beef, the final product—stuffed with mushrooms and served with a tarragon and shallot sauce—accomplished the team's goal to prepare "different kinds of items that people don't see every day."

The American team focused on entrees which would demonstrate different cooking techniques and new presentation ideas. For instance, when faced with 30 baby chickens—not enough to make 50 portions—they utilized the birds three different ways to gain maximum usage. They roasted the breasts with herb butter, boned out the legs and smoked the meat to make an interesting forcemeat and combined a bit of pork fat with the chicken trimmings to make a chicken sausage. "On one plate we demonstrated three different ways to prepare chicken," says team manager Jeff Gabriel. "Plus, we showed different shapes on the plate and total utilization of the birds." To go along with the "autumny" look of the chicken, the chefs prepared an "earthy-looking" carrot/potato pie.

Cold food competition

The entries in the cold food competition illustrated the artful possibilities in food presentation. Spectators were treated to two different displays each day, each one totally different in style, compositon and theme. Many of the presentations distinctly reflected their countries of origin. The Singapore display, for instance, was a delicate representation of traditional Asian shapes and symbols, from a fleet of swan-shaped, pastry vessels which seemed to float across their black lacquer platter to ornamental flowers, birds and dragons. Every detail, from the rosewood carvings to the silk skirtings, was carefully chosen to project a dramatic, distinctly Asian work of art.

A chocolate Model-T Ford left no doubt about the origin of the U.S. team's presentation. The 12 by 18-inch detailed replica won the best centerpiece of the Show.

The West German team combined new technologies with their precisely crafted food presentations. For instance, they highlighted items with nonheat lamps and piped in German music to add drama to their display.

What did onlookers and chefs gain from the experience? "A competition like this is like a showcase of the industry," said Jeff Gabriel, United States team captain. "Some things are obviously not practical for everyday use, but it's a great way to pick up new ideas."

WINE LIST LEADS FROM SHOW

Restaurateurs interested in increasing wine sales should take special note of the top wines in this year's Wine Classic. "Put these winners on your 'must try' list as possible additions to your wine menu," suggests Richard Alberini, owner of Alberini's restaurant (Niles, OH; 550 seats; approximately $200,000 in annual wine sales) and one of 40 judges at this year's Wine Classic.

The results of this competition are of particular interest to restaurateurs because the Wine Classic is the only major U.S. wine competition sponsored by the hospitality industry. Restaurateurs, wine writers and professional wine judges combined their expertise to select the top wines in seven categories, including two U.S. varietals: Cabernet Sauvignon and Johannisburg Riesling; one U.S. hybrid: Marechal Foch; and four European wines: Beaujolais-Villages (France), Riesling Kabinett (Germany), Sangiovese (Italy) and Ruby Port (Portugal). The result was "an impressive selection of wines," stated Jane Moulton, food and wine writer for the *Cleveland Plain Dealer* and a Wine Classic judge.

As restaurateurs review the winning list, they should not limit their tastings to the gold winners. Moulton explains that many of the other winners, particularly the silvers, may be exceptional wines, but they may be somewhat less traditional and therefore more controversial during the judging.

Alberini, whose wine list includes more than 600 wines, suggests that the single most important factor to consider when selecting a wine for a wine list is the menu, because wines must complement the food. "But, there are wines among the Wine Classic winners that will work on any operator's menu," he adds. "I know I'm going to include some of these wines on my list."

YOUNG WINES SOON TO BE IN

Does a wine list have to be kept up to date? Yes, says restaurant wine consultant Ronn Wiegand. During a management clinic at the Show, Wiegand predicted that customers coming into restaurants in the near future will be looking for relatively smooth and fruity wines. To respond to these customers, Wiegand outlined six major, soon-to-be "in" wine types. According to Wiegand, their strong points include "drinkability when young, versatility at the table, competitive prices and pedigrees."

Whites

☆ **Off-dry Rieslings** from Germany (Rhine and Mosel), Oregon, Washington, California and New York

☆ **High-quality, off-dry Chenin Blancs** from France (Loire Valley), Washington, California and Texas

☆ **Medium-weight Chardonnays** from France (Burgundy), Australia, California, Oregon

Reds

☆ **High-quality, fruity Gamays** from France (Beaujolais), California and Oregon

☆ **Sangiovese-based Italian wines** from Chianti, Vino Nobile di Montepulciano, Vino da Tavola and Brunello di Montalcino

☆ **Pinot Noir** for France (Burgundy, Loire Valley), Australia, Germany, Italy, California and Oregon

1987 WINE CLASSIC WINNERS

United States Wines

Cabernet Sauvignon

The Cabernet is a complex, dry red wine that matures with age (suggested four years minimum). It is known for its deep red color and has a bouquet of fresh black currants. It goes well with meat and strong tastes but not with highly seasoned food.

Best of Show

☆ Raymond Vineyard & Cellar (St. Helena, CA); 1982 Private Estate Reserve, Napa Valley

Gold

☆ Glen Ellen Winery & Vineyards (Glen Ellen, CA); 1984 Estate, Sonoma Valley

☆ Maddalena Vineyard, (Los Angeles, CA); 1984 Reserve, Sonoma County

☆ Raymond Vineyard & Cellar (St. Helena, CA); 1982 Private Estate Reserve, Napa Valley

☆ Roudon-Smith Vineyards (Santa Cruz, CA); 1983 Monterey

Silver

☆ Buena Vista Winery (Sonoma, CA); 1984 Carneros, Napa Valley

☆ Chalk Hill Winery (Healdsburg, CA); 1984 Sonoma County

☆ Creston Manor Vineyards & Winery (San Francisco, CA); 1984 Winemaker Selection, Central Coast

☆ Eberle Winery (Paso Robles, CA); 1983 Paso Robles

☆ Franciscan Vineyards (Rutherford, CA); 1983 Oakville Estate, Napa Valley

☆ Groth Vineyards (Oakville, CA); 1983 Napa Valley

☆ Whitehall Lane Winery (St. Helena, CA); 1984 Napa Valley

Johannisburg Riesling

This white wine has a scented, fruity bouquet suggestive of pineapples. The Riesling works equally successfully with a light meal or dessert.

Best of Show

☆ Navarro Vineyards (Philo, CA); 1984 Late Harvest, Anderson Valley, Mendocino

Gold

☆ Chateau Ste. Michelle (Woodinville, WA); 1984 Reserve Late Harvest, Hahn Hill Vineyards

☆ Kendall-Jackson Vineyards Winery (Lakeport, CA); 1986 Clear Lake, Lake County

☆ Rodney Strong Vineyards (Healdsburg, CA); 1985 Select Late Harvest, Sonoma County

☆ Sebastiani Vineyards (Sonoma, CA); 1985 Late Harvest, Sonoma

Silver

☆ Babcock Vineyards (Long Beach, CA); 1986 Santa Ynez Valley

☆ Chateau St. Jean (Kenwood, CA); 1985 Select Late Harvest, Russian River

☆ The Gainey Vineyard (Santa Ynez, CA); 1986 Santa Barbara County

☆ Haywood Winery (Sonoma, CA); 1986 Estate Bottled, Sonoma Valley

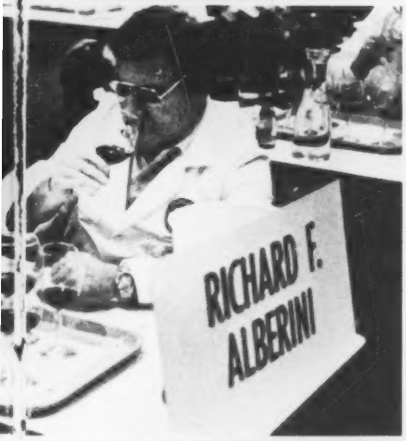
☆ Jekel Vineyard (Greenfield, CA); 1986 Arroyo Seco

☆ St. Francis Winery (Kenwood, CA); 1986 Estate Bottled, Sonoma Valley

☆ Santa Barbara Winery (Santa Barbara, CA); 1986 Late Harvest, Santa Ynez Valley

☆ Vega Vineyards Winery (Buellton, CA); Special Selection, Estate Bottled, Santa Ynez Valley

☆ Ventana Vineyards (Monterey, CA); 1986 Monterey



Marechal Foch

This red wine can have many of the characteristics of the light, fresh Beaujolais. However, some winemakers prefer to make it into a heavier wine through barrel aging. The wine goes nicely with spicy foods and well-flavored meats, such as lamb.

Best of Show

☆ Wollersheim Winery (Prairie du Sac, WI); 1985 du Sac

Gold

☆ Wollersheim Winery (Prairie du Sac, WI); 1984 du Sac

☆ Wollersheim Winery (Prairie du Sac, WI); 1984 Reserve

Silver

☆ Terra Wineceller (Geneseo, IL); 1985 Terra Vineyard

☆ Widmer's Wine Cellars (Naples, NY); 1983 Finger Lakes

European Wines

European wines are listed with distributors wherever possible.

Beaujolais-Villages, France

A varietal produced from the Gamay grape in the area of France traditionally known for its Burgundies. The designation "Villages" signifies that the wine is a Beaujolais produced in one of only 39 communes and represents the midpremium wine of the area. This light red wine should be consumed when it is young (two to three years); Beaujolais-Villages has a fruity, flowery bouquet and is lightweight and fresh in the mouth with very little tannin and quite a bit of acidity.

Best of Show

☆ 1985 Beaujolais Regine; Georges Duboeuf/Winesellers Ltd. (Skokie, IL)

Gold

☆ 1985 Jean Claude Boisset; Jean Claude Boiset USA (Rockville, MD)

☆ 1985 Reine Padauque Ch. des Correaux; Deinhard & Partners (Tenafly, NJ)

Silver

☆ 1985 Grande Grange; Georges Duboeuf/Winesellers Ltd. (Skokie, IL)

Riesling Kabinett, Germany

This varietal from the Riesling grape is consumed young. The "Kabinett" distinction signifies that the wine has the lowest sugar content of the top classification of German Rieslings. It is dry to medium dry with a fruity but not grapelike bouquet. It is sometimes flowery or honeyed and works well with light meals or as a dessert wine.

Best of Show

☆ 1985 Piesporter Goldtropfchen, J.B. Hain; Selected Wines of Europe (Woodbridge, NJ)

Gold

☆ 1985 Winkeler Hasenspring; Deinhard & Partners (Tenafly, NJ)

☆ 1985 Winningen Bruckstuck Spatlese, Richter; Paul Mann Imports (Roseville, MI)

Silver

☆ 1985 Hochheimer Koenigin Victoriaberg; Deinhard & Partners (Tenafly, NJ)

☆ 1985 Niersteiner Bildstock; Schieffelin & Co. (New York, NY)

☆ 1985 Schloss Johannisberg; Seagram Chateau & Estate Wines (New York, NY)

☆ 1985 Schloss Volrads Rheingau; House of Burgundy (New York, NY)

Sangiovese, Italy

A varietal made from the Sangiovese grape that is the principal grape used in the well-known Italian Chiantis. Filled with the bouquet of violets, the ruby-colored Sangiovese is slightly tannic, balanced and dry with a distinctive, almost-bitter finish. It goes well with rich pasta dishes and meat sauces.

Best of Show

☆ 1983 Le Pupille Morellino Scansano Riserva; Dreyfus Ashby (New York, NY)

Gold

☆ 1983 Monte Vertine, Le Pergola Torte; Direct Import Wine Co. (Des Plaines, IL)

Silver

☆ 1983 Castellare Sodi San Nicolo; Winebow, Inc. (New York, NY)

☆ 1982 Castello di Querceto, Ca Corte; Direct Import Wine Co. (Des Plaines, IL)

Ruby Port, Portugal

This fortified, nonvintage red wine is known as an aperitif or dessert wine. It has a peppery nose but the addition of Portuguese grape brandy gives it a sweetness.

Best of Show

☆ Harvey's Gold Cup Ruby

Gold

☆ Dow's Number 1 Port

Silver

☆ Ramo's Pinto Ruby

☆ Taylor Port

BEER: AN UP AND COMING BEVERAGE

"Beer is increasingly being recognized as a sophisticated drink of great variety, complexity, nobility and even sexiness," said beer expert Michael Jackson during a Theatre Series presentation.

Jackson, author of the best-selling *World Guide to Beer*, began his talk by emphasizing the similarities between "the two great fermented beverages of the world—beer and wine." Operators should market beer as they market wine, he said, because as American beer tastes become more sophisticated, the trend will be away from brand loyalty and toward "the right beer for the moment, season or dish."

Michael Jackson

With alcohol consumption down, people are more willing to drink "up" to more expensive beers, said Jackson. As evidence, he cited the interest being shown by the giant American brewing companies in marketing specialty beers.

Jackson ended his presentation with a beer-tasting session that was designed to demonstrate the great variety of available beers. Among those tasted were stouts, ales, bocks and a unique Belgian dessert beer that uses cherries in the fermenting process.

DEVELOPING QUALITY CUSTOMER SERVICE

Several speakers at this year's Show discussed ways to improve customer service and emphasized the importance of developing effective training programs and service strategies to boost return visits and increase customer counts. Here is an overview of some of the ideas presented by Bill Martin, California State Polytechnic University ("Quality Service"); Margaret Bonner, Air Force Open Mess, San Antonio, Texas ("Little Things Mean a Lot"); Denise Minchella, The Hospitality Company, Marina Del Rey, California ("To Market, To Market"); and Anthony Hopkins, Robin Hood Multifoods, Willowdale, Ontario, Canada, ("The Winning Edge . . . a Cut Above!")

☐ **Don't forget that customers are "number one."** Although it may seem like an obvious point, all speakers reiterated the importance of remembering that customers are the fuel that fires a restaurant's success.

☐ **Define quality service.** To ensure customers receive the proper "royal treatment," operators must spell out what constitutes top-quality service. As Bill Martin noted, sometimes servers assume that *procedural techniques*, such as prompt and efficient service, are what constitute good service. Although systems and procedures are important to good service, *personal techniques*, such as friendliness and attentiveness, are actually more crucial to the perception of quality service. Consequently, factors such as body language, eye contact, smiling and gracious problem solving should be clearly defined in any service training program.

☐ **Pay attention to little things.** Margaret Bonner's presentation dealt specifically with little things that mean a lot to customers. "Servers rarely forget to take an order or pick it up," said Bonner, "but they do forget the niceties of service—the things that make the difference between just serving someone and serving them *right*." Bonner explained that customers have "subconscious comfort zones" that affect how comfortable they feel in a restaurant. How well a restaurant addresses these concerns strongly affects customers' perception of the value of their dining experience and whether they will return. Some of these subconscious factors are: adequate space at and between tables; a balanced and well-ordered table with centerpieces that do not impede eye contact; menus that are easy to hold, read and understand; and noninvasive service—serving without getting too close to customers and invading their space.

The audience let go of troubles during session led by Steven Allen, Jr.

☐ **Develop a professional sales image.** Servers should also be taught to sell. "It's important that waitstaff see themselves as professional salespersons," advised Denise Minchella. "They should understand that sales is offering guests the restaurant's best, not pushing things on people." To ensure servers are knowledgeable and confident about products, Minchella suggested holding sales and service briefings so servers can taste and discuss daily specials (what makes dishes unique, what ingredients are used, etc.) and periodically review other sales tools, such

STRESS MANAGEMENT THROUGH JUGGLING

Dr. Steve Allen, Jr., physician and son of the noted comedian, demonstrated the tangible health benefits of laughter and playfulness in his Signature Series presentation at the Show. Allen invited each member of the audience to juggle three brightly colored scarves. As they giggled and laughed at the silliness of themselves and those around them, participants learned that laughter can rid their bodies of the counterproductive effects of modern-day stress.

MAKING A GOOD FIRST IMPRESSION

"First impressions are the lifeblood of your restaurant," according to Janet Elsea, president of Communications Skills, Inc., and author of *First Impression, Best Impression*.

Elsea outlined four questions that can help you determine your communication skills: What do I look like as a communicator? How do I sound? What do I say when I speak? How well do I listen? "Answer these four questions honestly, and you'll learn a great deal about yourself and how you appear to others," said Elsea.

And if you do not like what you find out? There are six communications factors that can be changed and three that cannot. The three con-

Janet Elsea

stant factors are gender, skin color and age. But six other variables can be refined to either augment or contradict the impressions made by physical characteristics

☐ appearance (neatness, style, etc.)

☐ facial expressions

☐ eye contact

☐ personal space (tendency to touch)

☐ voice (pitch, variety, tone)

☐ language—which, astonishingly, accounts for only seven percent of all communication.

as body language, tone of voice and upselling ("Our crab bisque goes wonderfully with that salad, would you like to try a cup?").

☐ **Involve employees.** After you have defined what quality customer service should be in your restaurant, involve your employees. Bill Martin suggested asking staff to come up with 10 different ways to solve customer-related problems and deciding as a team which ideas to implement. "Employees may not come up with different answers than will management," said Martin, "but after working out the problems themselves, the solutions will have more meaning."

☐ **Measure results.** It's impossible to evaluate the success of any customer service program without developing some definitive way to measure the results. There are many ways to monitor a program, from measuring sales of certain products each month to tracking check averages. Denise Minchella suggested that setting goals with employees is a good way to evaluate customer service skills.

Measuring intangible factors, such as customers' perception of service and servers' attitudes, are somewhat more difficult but not impossible to track. For instance, Bill Martin discussed the advantages of setting up a customer comment card system. "It's important to invite customer feedback," said Martin. "People generally don't like to complain, and without a definitive system, you can assume that for every customer who complains, four others left your restaurant without voicing their concerns. That's information you don't want to neglect."

☐ **Reward success.** To boost employee enthusiasm, most speakers recommended setting up some type of reward system that clearly spells out the types of rewards, criteria for achievement and frequency of evaluation. Rewards can range from trips to simple buttons or plaques. "Rewards don't have to be elaborate to work," emphasized Tony Hopkins. "It's not so much the value of the reward, as the recognition and praise that go with it."

SUPERVISING SUPERVISORS

As a foodservice owner or operator, how do you motivate your management team? How do you instill in your managers the same sense of determination and enthusiasm that you feel about your business? How do you make *them* think like *you* think?

"Supervising supervisors" was the topic discussed by Kathleen McGinley, a principal with America's Shopping Channel, El Cajon, CA, at a management clinic during the Show. "Your supervisors have five basic needs," said McGinley. "They need recognition. They need appreciation. They need job security and growth opportunity. And they need to be 'in the know.'" McGinley added that the two most common complaints supervisors have about their bosses are: they don't listen, and they don't provide adequate feedback.

THAT OLD MELMAN MAGIC

The crowd is ready for Rich Melman.

There really is very little magic in what I do," said Rich Melman as he faced a packed auditorium waiting to hear the secrets of his success. Melman wasn't just being modest. What drives the success of his 38-restaurant Lettuce Entertain You Enterprises in Chicago is not magic but finely-tuned management philosophies, expertise gained through experience and common sense. Here are some principles Melman has used to build his company:

☐ **Hire the right people.** "If you demand perfection like I do, your success depends on how well you hire, train and develop employees. You can accomplish almost anything if you hire the right people."

☐ **Nurture employees.** "If you give people an opportunity to grow, to be entrepreneurial, they will stay with you.

☐ **Understand that creativity is a slow process.** " We emphasize research and authenticity as major parts of any new creative project. That combination is what makes things last. For instance, when I started Ambria (a Northern Italian eatery), I went to Europe and learned about fine food. When the critics praised Ambria, it boosted my confidence tremendously."

☐ **Prepare before opening.** "Ninety percent of a restaurant's success is determined before you open the doors. You have to make sure the concept, location, food, service, training and discipline are all as perfect as you can get before you let the first customer in. Discipline is what makes the fun work in my restaurants. If the food is not right, the fun is not going to work either. You also have to have the proper 'frosting'—the angle, decor, etc. that makes your restaurant stand apart. That is so important in today's market."

☐ **Don't let your ego get in the way.** "My seventh restaurant, Bones, was a big lesson for me. I tried to bring Houston-style barbecue out to the suburbs. It was the wrong crowd; people just didn't like the menu. You can't listen to too many people initially—you'll lose focus. But, after a certain point, you do have to listen to what people want. I learned that lesson, took some advice, and the place turned around."

Veteran television newsman Ted Koppel lambasted the media for creating a "market for mediocrity."

MICHIGAN CULINARY TEAM WINS TOP PRIZES

Gilles Renusson, executive pastry chef at the Amway Grand Plaza Hotel received the "Best Piece of the Show" award and a gold medal for his sugar sculpture at the Culinary Arts Salon. The sculpture featured a chest of woodcutting tools on a raft of logs surrounded by delicate colored flowers, all created from pulled sugar.

Renusson was a member of the Michigan Culinary Olympic Team. The team also captured the "Grand Prize" for its grand buffet entry. The other team members were Kamel Kassem, Mark Kuzma and William Wolf. This year's event drew nearly 100 accomplished chefs, apprentices and culinary students who competed in eight categories of competition, were rated on composition, presentation, originality and workmanship. The "Judges Special Award" went to Chicago's Drake Hotel for a display saluting "the chef." Les Toques Blanches Internationale (Los Angeles, CA), won the "Most Original Piece of the Show" award for its display of a family of owls covered in chocolate. The "Best Entry for a Junior Culinarian" went to Darin Wilbur, Grand Rapids Junior College, Grand Rapids, MI.

Other gold medal winners included

☐ Mathew Naughton, Lago Vista Country Club, Austin, TX and Valentino Geno, Travis Pointe Country Club, Ann Arbor, MI, for their individual cold food displays

☐ Eric Neri, Longboat Key Club, Longboat Key, FL, and James Wynn, Chattanooga Hamilton County Convention and Trade Center, Chattanooga, TN, for their hot food plates, displayed cold

☐ The Drake Hotel, Chicago, IL; Lodge of Four Seasons, St. Louis, MO; and Les Toques Blanches Internationale, Los Angeles, CA, which joined the Michigan Culinary Olympic team in winning a gold medal for their grand buffets.

1987
BEST ENTRY FOR
JUNIOR CULINARIAN
17th Annual NRA
Culinary Arts Salon

Darin Wilbur, a student at Grand Rapids Junior College, won best entry for a junior culinarian at the 17th annual Culinary Arts Salon.

Edward C. Aldridge, Jr., Secretary of the Air Force, spoke at the Hennessy Awards Luncheon.

AL MCGUIRE TOUCHES PEOPLE

The National Restaurant Association's Annual Membership Meeting was enlivened this year by a witty and knowledgeable guest speaker—Al McGuire, analyst for NBC network coverage of college basketball. McGuire's presentation was rambling and spontaneous, but thoroughly engaging. He was knowledgeable, candid, witty and colorful.

McGuire, who worked in his father's bar while growing up, attributes much of his success in life to developing an empathy with each person with whom he has contact. Whether this meant winning a referee's respect, convincing a top recruit to attend Marquette University when he coached basketball there, or selling an extra drink in his father's bar, the key to McGuire's success has always been his ability to "touch" people. Because restaurateurs are in a people-oriented business, he noted, they should never overlook the importance of "touching" their customers.

22 CONGRESSMEN SEE SHOW

Twenty-two members of Congress received a hearty dose of restaurant hospitality during the Show, as the National Restaurant Association treated the lawmakers to a VIP tour of the Show floor and a taste of some of Chicago's finest dining.

Twenty-one representatives and one senator were in Chicago as part of the association's highly successful Congressional Visit Program, which gives members of Congress the opportunity to see first hand the important role the foodservice industry plays in our nation's economy.

"The magnitude of the Show was absolutely awesome," said U.S. Rep. James Inhofe (R-OK), whose comments were echoed by the other members of Congress. "You could have told us about it or shown us pictures, but we never would have fully understood the Show if we hadn't come here. It was simply overwhelming."

In addition to touring the Show, the members of Congress participated in roundtable discussions with industry executives during the association's government relations committee meeting. The executives were first briefed on labor issues by Rep. Austin Murphy (D-PA), chairman of the Labor Subcommittee on Labor Standards, who described legislation before his panel to raise the minimum wage. The group then broke into smaller groups to discuss minimum wage legislation and other issues of industry concern.

The congressmen were also treated to a special luncheon prepared by finalists in the American Culinary Classic Competition. They toured the intricate displays of the Culinary Arts Salon, and they dined with executives of various state restaurant associations.

NEW!
Multi-Prep System

Rep. Bill Thomas (R-CA), left, chats with Show exhibitor

TYNDALL, NELLIS AIR FORCE BASES WIN TOP HONORS

Tyndall Air Force Base in Panama City, FL, took top honors in the single unit category in the Hennessy Awards competition. Second place honors went to Clear Air Force Station in Alaska.

In the multiple unit category, last year's winner, Nellis Air Force Base in Las Vegas, again took first place. Second place honors went to Ellsworth Air Force Base in Rapid City, SD.

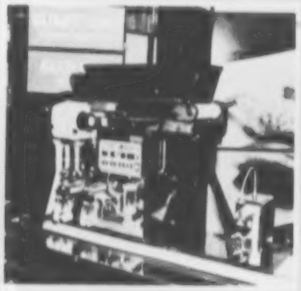
The special award for the 1987 Reserve Unit category went to the O'Hare Reserve Forces Facility, O'Hare International Airport, Chicago.

Rep. Pat Williams (D-MT), left, learns about waste control on the Show floor

Donald R. Keough, president and chief operating officer of the Coca-Cola Company, in Atlanta, received the first Ambassador of Hospitality award at the "Salute to Excellence" dinner sponsored by the association's Educational Foundation.

THE CREAM OF THE EXHIBITOR CROP

Adapting Asian specialties to the Western market were a robot sushi maker and a frozen wok for making ices.



The exhibitors on the Show floor claimed to have every product and service a restaurant or foodservice establishment could ever dream of needing. Among the thousands of offerings, there were some that stood out above the rest. Here is a sampling of the best from taste to technology.

Trends make their way to the Show floor quickly. This year the selection included drive-thru systems, a fermenting vat for microbrewing and a booth promoting Caribbean cooking.

PROMISING INNOVATIONS

- Color-corrected fluorescent lighting that approaches the warmer coloration of incandescents
- ice wok—a cold, flat-bottomed wok into which an operator pours an ice cream mix, turning and smoothing the mixture as it quickly solidifies
- revolving sanitary plastic toilet seat covers
- individual dispensing containers that bend open for condiments, foods, health aids and household products
- humane mousetrap that works with gravity and does not smash, maim or mutilate mice
- a new pest trap that combines three pest control techniques into a single unit
- waterless, electric towel steamer

Fanciful stirrers can become a signature item said exhibitor Zoopiks.

SPECIAL SERVICES

- Census Bureau—can provide assistance in site locations and demographic studies
- farm that grows fresh herbs, baby vegetables, exotic mushrooms, edible flowers
- diet analyzers
- microbrewing systems
- new technology for drive-thru systems
- turnkey restaurant—fast food unit built and delivered
- illuminated car signs/ads
- customized, musical buttons

Electronic Information Systems
CHANGING SIGNS
FOR
CHANGING TIMES

COST SAVERS

- A retrieval system for flatware that literally keeps the flatware from going down the drain or into the garbage
- a vacuum packaging system for bags or jars
- a ketchup saver
- a wine preservation system for vintage wines for as few as four bottles
- a reusable fuel for barbecuing, holding foods, etc.
- pre-portioned detergents, cleaners, sanitizers
- wholesale purchasing clubs
- art and frame locking hardware

More than 102,000 attendees came to this year's Show.

NOTEWORTHY TASTES

- Mineral or seltzer waters with fruit juices
- glazed Cajun catfish
- food pockets: dough wrapped around fillings
- malted donuts
- duxelles (mushroom) spread
- juice nectars
- bite-size dessert "pies"
- cryogenically frozen blue crabs—with sauces or without
- crawfish
- frozen fruit bars
- frozen marinated chicken breasts
- baklava

One-on-one presentations on every type of foodservice product and service make the Show floor the most efficient shopping trip in the industry.

Chefs from the New Zealand culinary team served their country's finest products to eager audiences.

ITALIA
ITALIA
PUGLIA

127 companies were represented in the Italian pavillion—from olive oil and cheese makers to garden furniture manufacturers.

Are these blue crabs fresh or frozen? The tasters couldn't tell the new frozen product from the fresh.

INTERNATIONAL EXHIBITORS ARE COMING BACK

Talk to any of the international exhibitors at McNew, and they will tell you they are coming back next year. That's good news—for their products are as varied and innovative as the Show itself.

Did you notice, for example,

☐ a new Canadian clam that is deep purple or red that will soon be harvested in millions of pounds each year

☐ tomatoes from France

☐ a new odorless, reusable paste fuel from Switzerland that can be used for barbecues, holding foods or fondues?

Or perhaps you tasted Italy's Panducale cake (the Italian pavillion's best seller), tried Belgium's fruit nectars, or sampled the lamb, venison or hoki (a cod-like fish) prepared by the New Zealand culinary team? Maybe you were interested in tea lights from the Netherlands, *periogi* (Polish dumplings) from Saskatoon, wines from Portugal, liqueurs from France or turned your sights abroad for display cases, wastebaskets, coffee equipment, ceramics or quilts? If you did, you found much to choose from. The Italian pavillion, for example, had 41 listings—18 companies for olive oil alone. If you did not, you should place these exhibits on your checklist for next year. These exhibits offer great opportunities for distributors and importers.

EFFICIENCY BOOSTERS

☆ Clam washing machine
☆ non-slip plate support rings to increase server productivity
☆ dry, clear, reuseable ice substitute
☆ a tray with safety clips to keep plates and glasses secure
☆ plastic mesh cushion liner for shelves, drawers, table pads, etc. that is soft, non-slip and machine washable
☆ injection molded polystyrene table carousel that holds nine standard portions of individual coffee creamers, saving space and clutter on tables
☆ electronic digital readout foodservice thermometers
☆ new foodservice computer software
☆ sushi making machine
☆ insulated transporters, cabinets, ice charts and chests
☆ banana puree
☆ pull-down heat lamps
☆ infrared griddle
☆ new systems for preserving fruits and vegetables
☆ wrappers for lemons/limes
☆ reservation systems

UNUSUAL SELECTIONS

☆ Orange/banana juice
☆ salad bars built to match theme, ie. boats etc.
☆ chocolate dinosaurs
☆ clams with a deep purple color
☆ grandfather clock with an aquarium base
☆ customized neon clock
☆ Cajun popcorn
☆ fruit-flavored potato chips
☆ wooden figures in the shape of servers
☆ a stuffed animal that can be programmed to deliver a message

BYE, BYE, ME

Hov

by Kathy Boyle

The old jingle, "The Navy gets the gravy, and the Army gets the beans," is an image that has gone the way of tin plates and C rations. Over the past several years, the U.S. Army has built a first-class culinary team that has consistently walked away with some of the top awards in culinary competitions, including the grand prize at the 1986 Culinary Arts Salon at the National Restaurant Association Show in Chicago. To find out what has inspired the culinary turn-around,* Restaurants USA *visited the U.S. Army's Quartermaster School in Fort Lee, VA.

Each of the U.S. Army's 19,000 cooks get their culinary inspiration at the U.S. Army Quartermaster School in Fort Lee, VA, 25 miles south of Richmond. Like clockwork, every week 50 to 70 new recruits begin nine weeks of cook training in a brand new facility less than one year old that offers state-of-the-art equipment.

For the first two weeks, students are introduced to the basics of nutrition. They also learn to apply basic culinary skills, to recognize cooking equipment, to practice kitchen safety and to try their hand at simple food preparation and cooking.

During the second two weeks of training, they move from small quantity to large garrison cooking. They familiarize themselves with large kitchen equipment and recipe conversion. Then, for another two weeks, they actually work and cook in the large Fort Lee dining facility, feeding the other trainees attending the school. The last three weeks of training are in the field. "Since the Army predominantly feeds in the field, they learn to work with field rations and mobile equipment for cooking outdoors," explains Maj. Neil H. Hatton, a British Army officer brought to the United States as part of an exchange program to direct the Culinary Skills Division at Fort Lee.

The final leg of training is two days of hands-on testing back at Fort Lee. After that, the recruits can be assigned a duty station where they work as cooks under supervision.

Competitions build excellence

Maj. Hatton is the first to admit that nine weeks is far too short to train raw recruits in the art of cooking. That is why 12 years ago the Army developed its own successful culinary competition to inspire excellence. Modeled after world class competitions—complete with awards—the U.S. Army Annual Culinary Competition has resulted in enormous recognition and esteem for the Army chef and has encouraged recruitment, retention and reenlistment of foodservice personnel. This year's competition, held in March, drew more than 180 U.S. Army foodservice competitors from 18 installations across the country and from Korea and Germany. And, for the first time, chefs from National Guard and Army Reserve units were invited to participate.

Basically, the competition is organized along the lines of other culinary competitions, with similar categories that allow cooks to demonstrate the special skills they have developed. In addition, the competition includes categories to demonstrate "Army" skills, such as a garrison cooking competition and a field competition.

"The Army has used its annual culinary competition as an image improvement tool," says Hatton. "The purpose of the competition is to sharpen the Army chef's cooking skills to the ultimate advantage of the soldiers who eat the meals the chefs prepare."

From their first day of training at Fort Lee, the prospective chefs pass by displays and photographs of competition winners. "By showing the young cooks they can rise to a very high standard, they are encouraged to aspire to more than three meals a day," says Barry Griffiths, British warrant officer at Fort Lee.

Enthusiasm builds in local competitions

Enthusiasm builds year-round for the U.S. Army Culinary Competition. Installations throughout the world hold their own preliminary competitions to choose their representatives to the event. These competitions are completely voluntary and are not funded with official Army funds. "This is an all-volunteer effort. To achieve this standard, many of these people sacrifice off-duty time, including weekends, to learn and practice," says Barry Griffiths.

The Army holds a series of culinary workshops for five months preceeding the Fort Lee show. These five workshops, one per month, are two weeks in length and cover the principles of competitive culinary arts. "These courses are always oversubscribed,"

Kathy Boyle is a free-lance writer in the Washington, DC, area who writes frequently for **Restaurants USA**.

SS HALL BLUES

the Army Builds a Winning Culinary Team

says Hatton, "and people bid for places to attend." The typical attendee is a hard worker who is being recognized for his or her interest in cooking.

The experience of four-time team member and this year's team captain Terry Baker (chief warrant officer, U.S. Army, Europe) is perhaps an indication of the motivation the competition inspires. Baker, a high school dropout, joined the Army in 1970 as a private. He had some experience in a quick-serve, family-style restaurant. "I wanted a secure profession, and I had heard about the opportunities cooks have in the Army," says Baker.

"From the beginning, I was given responsibilities. After four or five years, I returned to Fort Lee and saw the instructors doing more creative culinary demonstrations. I began to experiment myself, and as a young sergeant, I began to prepare for competition. I worked very hard—long hours outside the job. I suppose the reason was professional aspiration, recognition and the chance to use some skills. In the 1976 competition, I won several awards. I was inspired. Being the team captain is something I have been trying to do for a while. To influence those under you and build up their confidence is rewarding. And," notes Baker, "I've been given the opportunity to finish my education."

Prestige of Army's competition draws top-notch judges

Not only does the Army draw the best of its own to compete in the competition, the event also attracts some of the most respected chefs and foodservice executives as judges. For example, the American Culinary Federation senior judges, many of whom are former culinary gold medal winners, judge the Army competition. "By using American Culinary Federation judges, the Army keeps an up-to-date approach to feeding," notes Hatton.

Through this method of attracting top-notch judges, the Army builds a reputation and is recognized internationally for its culinary excellence. It has placed at the International Culinary Competition in Frankfurt, Germany, a prominent, prestigious event held every four years and nicknamed the "culinary olympics." In 1984, the Army Culinary Olympic Team won five gold, six silver and two bronze medals. The Army has been invited again to compete in the event in October 1988.

In addition, 12 of the show's participants are chosen to represent the U.S. Army in the annual National Restaurant Association Culinary Arts Salon held in Chicago, IL, in May. In that competition last year the Army's Culinary Arts Team claimed the Show's overall grand prize and won the top prize in the Grand Buffet category. In addition, participants demonstrate many of their skills on-site, such as carving and pastillage.

Building a team

In selecting the best to represent the U.S. Army at culinary competitions throughout the year, the Army puts together a 12-person team selected from the 180 entrants to its annual competition.

Hatton explains: "The Army builds a team, not a collection of individuals. Rank is not a criteria in team selection. Additionally, the Army wants its team to represent the entire Army, in terms of age, skill, sex and ethnic composition."

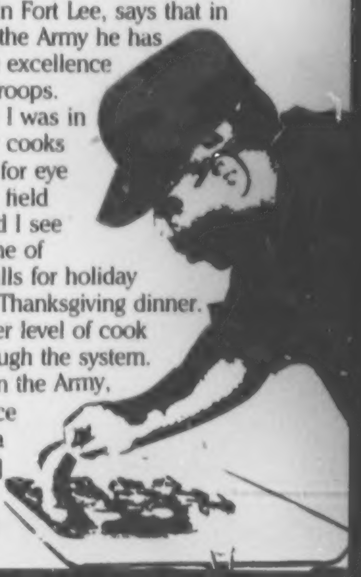
Twelve-member teams are the Army way, and the team members get acquainted with this approach from the very first day. Cooks work in kitchens designed for 12, and the typical class is limited to 12.

Also, the Army likes to compete in categories that demonstrate teamwork. "We choose the Grand Buffet category at the Culinary Arts Salon competition at the National Restaurant Association Show because that category shows teamwork," explains Griffiths. "For one week prior to the competition, we work 12-hour days getting used to working with each other. Then, we work until we are done, which could be day and night."

Obviously, this type of competition work is not for everyone, and some Fort Lee winners choose not to become involved in this type of competitive situation. "We are looking for those who are quick at picking up things and who can work well together," says Hatton. "This year, we have a very young team. We have six masters and six apprentices. Two of the masters are apprentices from the 1984 Culinary Olympic Team, but they are now serving as leaders."

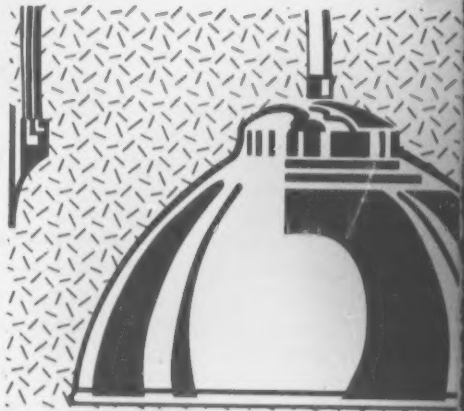
Mess food has improved

Although the stunning creations at the competition do not necessarily represent typical Army food, the quality of Army food has definitely improved, say Army cooks. Andre L. Milot, culinary administration officer, culinary skill branch of the U.S. Army Quartermaster School in Fort Lee, says that in his 18 years in the Army he has slowly seen the excellence filtering to the troops. "Recently, when I was in Germany, I saw cooks adding garnish for eye appeal, even in field maneuvers. And I see them using some of their special skills for holiday meals, such as Thanksgiving dinner. There is a higher level of cook coming up through the system. Wherever I go in the Army, I see foodservice that has come a long way." ❑



NINE TOP DESIGNERS SPEAK OUT

NEW DIRECTIONS IN RESTAURANT DESIGN



by David Slater

In the past 15 years, American restaurant design has become more unexpected and creative—and a lot more enjoyable for operators, designers and customers. The changes are not over. As this article suggests, new directions in restaurant design are as varied as the designers themselves.

The Educational Foundation of the National Restaurant Association

July-December 1987 Seminar Schedule

The Educational Foundation of the National Restaurant Association is pleased to announce its July-December 1987 line-up of educational seminars.

As you read through this listing, you will see that the schedule notes an array of other offerings that the Foundation has developed as part of our efforts to provide comprehensive education programs for the foodservice operator. National Conferences, textbooks, video training, home study, and in-house "Seminars To Go," are examples of the diversity we have undertaken recently.

Our goal for the future is to expand even further to provide you with the tools to help shape your operation into one of the more professional and efficient in the industry. We hope you will share in our growth.

Lawrence M. Fidel
Director, Education Programs

FOOD SERVICE MANAGEMENT COURSES

Banquet Management

focuses primarily on the administration of banquet facilities and functions, including presentation, timing, pricing, forecasting and equipment.

7/27 Baltimore, MD
8/10 St. Paul, MN
9/15 Anaheim, CA
9/17 Burlingame, CA
10/6 Vancouver, B.C., Canada
10/19 Montreal, Quebec, Canada
10/21 Moncton, New Brunswick, Canada
11/2 San Diego, CA
11/4 Sacramento, CA
11/16 Baton Rouge, LA
11/18 Atlanta, GA

Beverage Management

will help operators reach new markets, develop profitable merchandising programs, improve controls, spot consumer trends and boost wine sales. It also discusses current "Alcoholic Beverage Consciousness" and what it means in today's business environment.

7/21-22 Indianapolis, IN
8/4-5 Atlanta, GA
9/16-17 Uniondale, NY
9/30-10/1 Portland, OR
10/13-14 Denver, CO
11/9-10 Toronto, Ontario, Canada
11/17-18 Phoenix, AZ
12/8-9 Orlando, FL

Employee Motivation

instructs you how to hire motivated employees from the outset as well as how to use practical incentive programs, team building exercises and employee work groups to further motivate employees in the operation.

7/21 Louisville, KY
7/23 Rosemont, IL
9/9 Toronto, Ontario, Canada
9/28 Annapolis, MD
9/30 Lancaster, PA
10/12 Columbus, OH
10/14 Indianapolis, IN

Food Cost Management

presents a new angle from which to examine a foodservice operation and identify the factors behind "lost" money. The instructor has developed a system for use in any size restaurant that allows the operator to track actual food use, and thereby control costs. Attendees will receive all the forms and management tools needed to implement a complete food cost control program in their operation.

7/22 Portland, OR
8/5 Lincoln , NE
8/18 Trumbull, CT
9/8 Tucson, AZ
9/15 Atlantic City, NJ
10/13 Williamsburg, VA
10/14 Tysons Corner, VA

Foodservice Operators' Legal Workshop

addresses the current legal issues facing the foodservice operators in their day-to-day decisions. Topics include: liquor liabilities, wage-and-hour issues, immigrations laws, employee rights and customer safety and security.

7/20 Atlanta, GA
9/8 Tucson, AZ
9/16 Wilmington, DE
10/6 Richmond, VA
10/29 Daytona Beach, FL
11/4 Waterbury, CT
11/10 Raleigh, NC
11/16 Detroit, MI

Menus that Sell!

covers all the elements for developing a successful menu--a restaurant's number-one sales and marketing tool. From identifying poor performers and adding new money-making items to designing and laying out an effective menu, this practical program will help you take full advantage of your menu.

7/27 Sarasota, FL
9/14 Atlantic City, NJ
9/29 Honolulu, HI
10/6 Atlanta, GA
10/19 Minneapolis, MN
10/21 Madison, WI

Off-Premises Catering

offers a complete guide to the essentials of a catering business, as well as an analysis of the common pitfalls. Focus includes: analyzing the potential market, developing new business, menu development, selecting foodservice style, developing a good cost program, production and handling, on-site staff, current trends and "signature foods."

7/27-28 Boston, MA
8/11-12 Milwaukee, WI
8/25-26 Dallas, TX
9/14-15 Atlantic City, NJ
9/28-29 Toronto, Ontario, Canada
10/19-20 Dearborn, MI
11/16-17 Portland, OR
11/30-12/1 Washington, DC

Operational Analysis

is designed to provide specific, in-depth procedures for examining your restaurant business objectively and comparing that operation to the entire foodservice industry. The course covers both finance and management analysis to help restaurateurs identify the strengths, weaknesses and potential of their operation.

7/30-31 Philadelphia, PA
8/4-5 Seattle, WA
9/17-18 Boston, MA
10/7-8 Las Vegas, NV
12/3-4 Baltimore, MD

Planning and Implementing a Restaurant Marketing Strategy

focuses on the basics of restaurant marketing for increasing profit in the operation by increasing new and repeat customer trade, minimizing the risk involved with expansion as well as anticipating and resolving problems that threaten sales, growth or profits.

9/2-3 San Francisco, CA
9/22-23 Newport, RI
11/4-5 Indianapolis, IN
12/9-10 Chicago, IL

Planning Successful Buffets

is applicable to almost any size foodservice operation, covers the basics of buffet service, with emphasis on creative menu, decor and preparation.

7/20	**Madison, WI**	**10/5**	**Monterey, CA**
8/11	**Burlington, VT**	**10/6**	**San Francisco, CA**
9/1	**Ft. Worth, TX**	**12/7**	**Jacksonville, FL**
9/9	**Brewster, MA**		

Profitability

offers all restaurant personnel with cost center accountability a blueprint for improving profits at the unit level. Profitability introduces a variety of practical and innovative operating systems, management techniques and cost control tips that can be immediately implemented in your restaurant.

9/22	**Charlotte, NC**	**11/17**	**Bloomington, MN**
9/23	**Williamsburg, VA**	**12/8**	**Denver, CO**
9/28	**Orlando, FL**	**12/10**	**Atlanta, GA**
11/16	**Nashville, TN**		

Real Estate and Restaurant Site Selection

will cover the key principles of selecting sites for foodservice operations, including market structure, customer profiles, the physical features of sites and economic/financial consideration.

8/17-18	**Chicago, IL**	**11/30-12/1**	**Honolulu, HI**
11/9-10	**Orlando, FL**	**12/7-8**	**Seattle, WA**

Restaurant Design and Facilities Planning

was developed to give foodservice executives the background necessary to understand and control their restaurant design projects and avoid costly mistakes. The focus includes: analyzing the feasibility of the project; planning space and equipment according to function and the menu; a workshop on resolving design problems; and working with architects, engineers, consultants etc. Attendees are invited to bring along plans, blueprints or other project information for individual evaluation by the instructor.

9/30-10/1	**Sta. Barbara, CA**	**11/11-12**	**Reno, NV**
10/21-22	**Boston, MA**	**12/8-9**	**Atlantic City, NJ**

Sanitary Assessment of the Foodservice Environment (S.A.F.E.)

teaches ways to make your self-inspection system more meaningful and reliable by applying the theories of Hazard Analysis and Critical Control Points throughout the preparation process. S.A.F.E. covers the scope of foodborne diseases by showing why "traditional" inspections do not address the major causative factors of foodborne illness.

7/27	**San Francisco, CA**	**10/5**	**Dallas, TX**
7/28	**Anaheim, CA**	**10/20**	**Portsmouth, NH**
8/17	**Pittsburgh, PA**	**11/9**	**Denver, CO**

Wine and the Bottom Line

provides the information necessary to give attendees a complete understanding of the wines they wish to sell. It includes innovative merchandising strategies, training staff to sell wines and wine-pricing systems.

8/13	**Scottsdale, AZ**	**12/1**	**Providence, RI**
8/25	**Bethesda, MD**	**12/3**	**Raleigh, NC**

FOOD PRODUCTION COURSES

Perfecting Your Culinary Skills

combines lecture with demonstration to instruct attendees in cooking techniques that improve their food quality while lowering costs. The fundamentals of cooking discussed include: methods of preparing meats; utilization of leftovers; vegetable cookery; potatoes, rice and pasta; and deep fat frying. Recommended as an introduction for kitchen assistants, line cooks and chefs.

8/10	**Boston, MA**	**11/4**	**Pittsburgh, PA**
9/15	**Atlantic City, NJ**	**11/11**	**Newport Beach, CA**
10/19	**Cromwell, CT**	**11/13**	**Burlingame, CA**

Simplified Baking Workshop

illustrates how easily baking can be integrated into the kitchen operation using frozen dough products. Through demonstration, the chef will show attendees how to create signature baked goods with little effort and no special equipment. This program is recommended for product development managers and menu planners, as well as bakers and kitchen managers.

7/29	**Grand Rapids, MI**	**8/26**	**Seattle, WA**
8/24	**Portland, OR**	**9/16**	**Greenbelt, MD**

Soups and Sauces

focuses on items that are inexpensive and easily prepared, yet are distinctive and profitable menu additions. Instruction provides the techniques and principles upon which all soups and sauces are based.

8/3	**Cincinnati, OH**	**10/26**	**Newark, NJ**
8/5	**Charlotte, NC**	**10/27**	**Burlington, VT**

Dining Room Management

focuses on the many aspects of front-of-the-house management, including building basic management skills, getting the most from employees and handling problems on the floor. This course is appropriate for all levels--owner/operators, dining room manager/supervisors, waiters and waitresses.

7/20 Columbus, OH
7/21 Cleveland, OH
8/13 Annapolis, MD
9/9 Mystic, CT
9/14 Baltimore, MD
9/21 Colorado Springs, CO
9/23 Albuquerque, NM
10/26 Pawtucket, RI
11/2 Newark, NJ
11/3 Cherry Hill, NJ
11/10 Austin, TX
11/12 Dedham, MA
11/18 Tampa, FL
11/19 Milwaukee, WI
12/7 Aspen, CO

Increasing Sales: Effective Front-of-the-House Management

attendees will be able to analyze and assess their present service style in relation to current service trends. Specific opportunities and methods for improving sales in the dining room will be addressed. Attendees will examine the sequence of service, merchandising techniques, sales incentives, motivation and more.

8/24 New Orleans, LA
8/26 Kansas City, MO
9/21 Grand Rapids, MI
9/23 Milwaukee, WI
10/12 Portland, OR
10/26 Louisville, KY
11/10 Baltimore, MD
11/11 Philadelphia, PA

Kitchen Management

is a comprehensive program on the basics of food production & preparation and includes money-saving techniques for improving efficiency and productivity. The focus includes:

7/20 Woburn, MA
7/21 Newark, NJ
7/28 Austin, TX
8/10 Rochester, NY
8/20 Oklahoma City, OK
8/24 Orlando, FL
9/10 Covington, KY
9/14 Eugene, OR
9/28 Columbia, SC
10/26 Toronto, Ontario, Canada
10/28 Harrisburg, PA
11/9 Virginia Beach, VA
11/11 Wichita, KS
12/1 Grand Rapids, MI
12/2 Bloomington, MN
12/7 Santa Monica, CA
12/8 Long Beach, CA

Tools for Training

will help you build a solid employee training program. The techniques presented in this seminar have been thoroughly tested in the dynamics of the foodservice environment. The program focuses on the why's and how-to's of training.

9/9 Des Moines, IA
9/10 Rosemont, IL
9/21 Minneapolis, MN
9/22 Indianapolis, IN
10/27 Springfield, MA
10/28 Syracuse, NY
11/10 Birmingham, AL

Alabama

11/10	Birmingham	Tools for Training

Arizona

8/13	Scottsdale	Wine and the Bottom Line
9/8	Tucson	Food Cost Management
9/8	Tucson	Foodservice Operators' Legal Workshop
11/17-11/18	Phoenix	Beverage Management

California

7/27	San Francisco	S.A.F.E.
7/28	Anaheim	S.A.F.E.
9/2-9/3	San Francisco	Restaurant Marketing Strategy
9/15	Anaheim	Banquet Management
9/17	Burlingame	Banquet Management
9/30-10/1	Santa Barbara	Restaurant Design Facilities Planning
10/5	Monterey	Planning Successful Buffets
10/6	San Francisco	Planning Successful Buffets
11/2	San Diego	Banquet Management
11/4	Sacramento	Banquet Management
11/11	Newport Beach	Perfecting Your Culinary Skills
11/13	Burlingame	Perfecting Your Culinary Skills
12/7	Santa Monica	Kitchen Management
12/8	Long Beach	Kitchen Management

Canada

9/9	Toronto, Ontario	Employee Motivation
9/28-9/29	Toronto, Ontario	Off Premises Catering
10/6	Vancouver, B.C.	Banquet Management
10/19	Montreal, Quebec	Banquet Management
10/21	Moncton New Brunswick	Banquet Management
10/26	Toronto, Ontario	Kitchen Management
11/9-10	Toronto, Ontario	Beverage Management

Colorado

9/21	Colorado Springs	Dining Room Management
10/13-10/14	Denver	Beverage Management
11/9	Denver	S.A.F.E.
12/7	Aspen	Dining Room Management
12/8	Denver	Profitability Workshop

Connecticut

8/18	Trumbull	Food Cost Management
9/9	Mystic	Dining Room Management
10/19	Cromwell	Perfecting Your Culinary Skills
11/4	Waterbury	Foodservice Operators' Legal Workshop

Delaware

9/16	Wilmington	Foodservice Operators' Legal Workshop

District of Columbia

11/30-12/1	Washington	Off Premises Catering

Florida

7/27	Sarasota	Menus that Sell!
8/24	Orlando	Kitchen Management
9/28	Orlando	Profitability Workshop
10/29	Daytona Beach	Foodservice Operators' Legal Workshop
11/9-11/10	Orlando	Real Estate and Site Selection
11/18	Tampa	Dining Room Management
12/7	Jacksonville	Planning Successful Buffets
12/8-12/9	Orlando	Beverage Management

Georgia

7/20	Atlanta	Foodservice Operators' Legal Workshop
8/4-8/5	Atlanta	Beverage Management
10/6	Atlanta	Menus that Sell!
11/18	Atlanta	Banquet Management
12/10	Atlanta	Profitability Workshop

Hawaii

9/29	Honolulu	Menus that Sell!
11/30-12/1	Honolulu	Real Estate and Site Selection

Illinois

7/23	Rosemont	Employee Motivation
8/17-8/18	Chicago	Real Estate and Site Selection
9/10	Rosemont	Tools for Training
12/9-12/10	Chicago	Restaurant Marketing Strategy

Indiana

7/21-7/22	Indianapolis	Beverage Management
9/22	Indianapolis	Tools for Training
10/14	Indianapolis	Employee Motivation
11/4-11/5	Indianapolis	Restaurant Marketing Strategy

Iowa

9/9	Des Moines	Tools for Training

Kansas

11/11	Wichita	Kitchen Management

Kentucky

7/21	Louisville	Employee Motivation
9/10	Covington	Kitchen Management
10/26	Louisville	Increasing Sales

Louisiana

8/24	New Orleans	Increasing Sales
11/16	Baton Rouge	Banquet Management

Maryland

7/27	Baltimore	Banquet Management
8/13	Annapolis	Dining Room Management
8/25	Bethesda	Wine and the Bottom Line
9/14	Baltimore	Dining Room Management
9/16	Greenbelt	Simplified Baking Workshop
9/28	Annapolis	Employee Motivation
11/10	Baltimore	Increasing Sales
12/3-12/4	Baltimore	Operational Analysis

Massachusetts

7/20	Woburn	Kitchen Management
7/27-7/28	Boston	Off Premises Catering
8/10	Boston	Perfecting Your Culinary Skills
9/9	Brewster	Planning Successful Buffets
9/17-9/18	Boston	Operational Analysis
10/21-10/22	Boston	Restaurant Design and Facilities Planning
10/27	Springfield	Tools for Training
11/12	Dedham	Dining Room Management

Michigan

7/29	Grand Rapids	Simplified Baking Workshop
9/21	Grand Rapids	Increasing Sales
10/19-10/20	Dearborn	Off Premises Catering
11/16	Detroit	Foodservice Operators' Legal Workshop
12/1	Grand Rapids	Kitchen Management

Minnesota

8/10	St. Paul	Banquet Management
9/21	Minneapolis	Tools for Training
10/19	Minneapolis	Menus that Sell!
11/17	Bloomington	Profitability Workshop
12/2	Bloomington	Kitchen Management

Missouri

8/26	Kansas City	Increasing Sales

Nebraska

8/5	Lincoln	Food Cost Management

Nevada

10/7-10/8	Las Vegas	Operational Analysis
11/11-11/12	Reno	Restaurant Design and Facilities Planning

New Hampshire

10/20	Portsmouth	S.A.F.E.

New Jersey

7/21	Newark	Kitchen Management
9/14	Atlantic City	Menus that Sell!
9/14	Atlantic City	Stress and Foodservice
9/14-9/15	Atlantic City	Off Premises Catering
9/15	Atlantic City	Food Cost Management
9/15	Atlantic City	Perfecting Your Culinary Skills
10/26	Newark	Soups and Sauces
11/2	Newark	Dining Room Management
11/3	Cherry Hill	Dining Room Management
12/8-12/9	Atlantic City	Restaurant Design and Facilities Planning

New Mexico

9/23	Albuquerque	Dining Room Management

New York

8/10	Rochester	Kitchen Management
9/16-9/17	Uniondale	Beverage Management
10/28	Syracuse	Tools for Training

North Carolina

8/5	Charlotte	Soups and Sauces
9/22	Charlotte	Profitability Workshop
11/10	Raleigh	Foodservice Operators' Legal Workshop
12/3	Raleigh	Wine and the Bottom Line

Ohio

7/20	Columbus	Dining Room Management
7/21	Cleveland	Dining Room Management
8/3	Cincinnati	Soups and Sauces
10/12	Columbus	Employee Motivation

Oklahoma

8/20	Oklahoma City	Kitchen Management

Oregon

7/22	Portland	Food Cost Management

8/24	Portland	Simplified Baking Workshop
9/14	Eugene	Kitchen Management
9/30-10/1	Portland	Beverage Management
10/12	Portland	Increasing Sales
11/16-11/17	Portland	Off Premises Catering

Pennsylvania

7/30-7/31	Philadelphia	Operational Analysis
8/17	Pittsburgh	S.A.F.E.
9/30	Lancaster	Employee Motivation
10/28	Harrisburg	Kitchen Management
11/4	Pittsburgh	Perfecting Your Culinary Skills
11/11	Philadelphia	Increasing Sales

Rhode Island

9/22-9/23	Newport	Restaurant Marketing Strategy
10/26	Pawtucket	Dining Room Management
12/1	Providence	Wine and the Bottom Line

South Carolina

9/28	Columbia	Kitchen Management

Tennessee

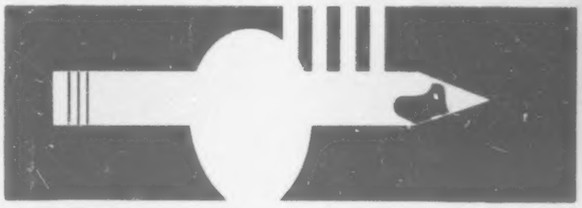
11/16	Nashville	Profitability Workshop

Texas

7/28	Austin	Kitchen Management
8/25-8/26	Dallas	Off Premises Catering
9/1	Ft. Worth	Planning Successful Buffets
10/5	Dallas	S.A.F.E.
11/10	Austin	Dining Room Management
12/1	San Antonio	Tools for Training
12/2	Houston	Tools for Training

Vermont

8/11	Burlington	Planning Successful Buffets
10/27	Burlington	Soups and Sauces



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10/14	Tysons Corner	Food Cost Management
11/9	Virginia Beach	Kitchen Management

Washington

8/4-8/5	Seattle	Operational Analysis
8/26	Seattle	Simplified Baking Workshop
12/7-12/8	Seattle	Real Estate and Site Selection

Wisconsin

7/20	Madison	Planning Successful Buffets
8/11-8/12	Milwaukee	Off Premises Catering
9/23	Milwaukee	Increasing Sales
10/21	Madison	Menus that Sell!
11/19	Milwaukee	Dining Room Management

What is the Educational Foundation?

Formerly the Education Programs Department of the National Restaurant Association and the National Institute for the Foodservice Industry (NIFI), the Educational Foundation was created to advance professional standards of foodservice/hospitality management through education. It is a not-for-profit foundation governed by a volunteer board of trustees. Its leadership and support come from all segments of the industry, including operators, manufacturers, distributors and educators.

The Educational Foundation is the foodservice/hospitality industry's leading national educational resource and support organization. Its mission is to:

- Provide industry-relevant seminars, educational materials and aids for use by educational institutions, operating organizations and individuals.
- Upgrade professionalism throughout the industry through conducting seminars, conferences and workshops.
- Administer financial aid and work-study grant programs.
- Work to enhance the image of the industry in a manner that will attract and retain employees at all levels and in all segments of the industry.
- Undertake research designed to advance the industry in meeting its human resource needs.

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8/16-19 Las Vegas, NV

Educational Foundation Wine Workshop
9/12-24 Burgundy Region of France

Independent Foodservice Operators National Conference (INFO '88)
1/24-26/1988 Miami, FL

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Continuing education credit - The International Food Service Executives Association (IFSEA), the Dietary Managers Association (DMA), and the American Culinary Federation (ACF) have approved our courses for continuing credit.

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Discount for multiple attendance - When two or more attendees register from the same company for selected programs, each will receive a discount off the regular registration fee. Special discounts available for larger groups.

Guarantee - If you are not satisfied that the knowledge gained at the seminar is useful and will help you to do a better job, we will give you a full refund of your entire seminar fee. If you should feel the need to request such a refund, please write within 10 days of your course attendance to Larry Fidel, Education Programs, The Educational Foundation of the National Restaurant Association, 311 First St N.W., Washington, DC 20001.

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If a picture is worth a thousand words, then each of the Foundation's training videos is worth an entire shelf of books. Video Training provides staff-training, immediate employee orientation, basic skills training, consistent training in high turnover jobs, and retraining as necessary.

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- **Waitstaff Training** - This four-tape series covers Service (two tapes), Suggestive Selling, and Teamwork.
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For more information about Video Training, contact Ed O'Hare in the Education Programs Department at 800/424-5156 or 202/638-6100.

In-House Programs

If you are a small to mid-sized, multiunit operator of restaurants, hotels or fast food outlets, the Foundation's in-house seminar presentations are ideal for you. "Seminars to Go" is an economical and practical way to motivate your staff by showing you are concerned about their professional growth, not to mention the direct benefits your organization will derive from maintaining a well-trained staff. For more information on "Seminar to Go" or on presentations at your conference or conventions, write or call Frank Doyle in the Education Programs Department at 800/424-5156 or 202/638-6100.

> **"People are seeking depth in their dining experiences."**
>
> *—Bill Aumiller, president, Aumiller Youngquist P.C., Chicago, IL*

"People are more consciously seeking depth in their dining experiences. People are interested in high-quality food and high-quality design," says Aumiller, whose firm has designed Ed Debevic's, Cafe Ba-Ba-Reeba! and the recently-opened Scoozi for Lettuce Entertain You Enterprises. And this depth results more from a well-conceived and developed concept than from expensive foods and materials.

According to Aumiller, inexpensive food "has been given a bad rap." He believes there is a large market for what he calls "adult fast food:" inexpensive food made special by a unique atmosphere. "The more depth you can give to people's total dining experience," says Aumiller, "the more they'll keep coming back."

How does a designer achieve this "depth?" As an example of a thoroughly thought-out concept, Aumiller cites the 50s-style diner, Ed Debevic's. The diner's creators gave the project depth by making sure it brought to life the fictional character, Ed Debevic, as the type of guy who would want to run a 50s diner. "We constantly asked ourselves," says Aumiller, " 'Is this the way Ed would do it? Is this right for Ed?' " As a result, Ed's personality pervades the restaurant from messages on the menu to bowling trophies to signs welcoming him back from the Korean war. The painstakingly constructed atmosphere has an authenticity that separates the restaurant from its imitators.

Because Aumiller believes the food concept and the design must complement one another, his designs usually take their lead from the menu. For example, he designs a grazing restaurant, such as Scoozi or Cafe Ba-Ba-Reeba!, with large communal areas where conversations reverberate, encouraging group participation and more lively eating.

Another aspect of a thoroughly conceived design, says Aumiller, is a sensitivity to the needs of a wide range of people. As an example, he cites the increased attention being paid to single diners of all ages. "I think you'll see dining counters become a big part of people's design concepts," he says. "These counters address a segment that, with the exception of coffee shops, hasn't been addressed before." At a counter, diners get a bit of anonymity, but at the same time can feel included and take part in what is going on around them.

> **"Prefabricated items save time, disruption."**
>
> *—Gary Turner, principal, G.B. Decorative Design Co., Alexandria, VA*

Turner, whose firm has designed a series of restaurants in the Washington, DC/Baltimore, MD, area, and recently has become involved in renovations, notes that his rehab projects pose an interesting dilemma. "When doing renovations on an established restaurant," he says, "you don't have the downtime that you have with a new restaurant. There's a lot of demand now to do renovations while keeping the restaurant open, which means you have to satisfy the customers, the client and the health department."

Working on restaurants that are remaining open has made Turner realize the need for prefabricated items. These items not only save time, but also reduce the need for skilled help, which is often hard to find.

Prefab does not mean jerry-built, however. The item may be a stained glass window built in a studio, an ornate wooden bar customized in a warehouse or tabletops milled and manufactured in a cabinetmaker's shop. "The point is," says Turner, "the necessary items are constructed outside the restaurant and then assembled or put in place in one quick maneuver that disrupts customer traffic as little as possible." To satisfy his clients, Turner is constantly searching for new materials that will withstand a restaurant's daily wear.

In general, says the designer, he is finding the market for prefab items to be improving, but the search requires a lot of footwork instead of flipping through catalogues. "I've been finding a lot more items," he says, "that can be dropped in, screwed on and wallpapered over."

By treating renovations as if they were a show for the customer, Turner has found that business does not have to drop off during construction. In fact, at one restaurant in Washington, DC, business actually increased during renovations. "Customers like to watch work going on," he says. And, he jokes, "They offer lots of suggestions, too."

> **"I want these restaurants to have an implicit, or sometimes overt, reference to tension, risk or imbalance."**
>
> *—Thom Mayne, principal, Morphosis, Los Angeles, CA*

Thom Mayne and Michael Rotondi, the principals of Morphosis, are young architects who have been influenced by avant-garde designers, such as California's Frank Gehry. The restaurants they have designed, including Angeli (Hollywood, CA) and 72 Market (Venice, CA), have

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David Slater is a communications specialist at the National Restaurant Association.

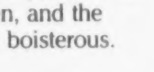
been heralded as bold, fresh and dynamic. Mayne and Rotondi use rough, natural materials—concrete, stone, wood and different types of metals—but aim to contribute something even more lasting than the physical structures they create. "In all of our work," says Mayne, "we are interested in communicating values."

As architects, Mayne says, "We are speaking through the buildings. Our means of communication is a visual one." What sort of message does Morphosis want to communicate? "I want these restaurants to have an implicit, or sometimes overt, reference to tension, risk or imbalance," says Mayne. "These are aspects that are major ingredients of life, so anyone should be able to understand them."

Perceptive visitors to Morphosis-designed restaurants should pick up on messages that Mayne and Rotondi have built into the structure. These messages are subliminal, adds Mayne, because a restaurant should not be a "one-shot deal" but a "day-to-day place." At Angeli, an 850-square-foot pizzeria/cafe, the architect's linear layout invites comparison to a chapel with wall niches for sculpture and a stylized candelabra, but in place of an altar there is a pizza oven, and the atmosphere is lively and boisterous.

"Commissioned art raises the customer's level of stimulation."

—Libby McClintock, MGS Architects, New York, NY



"We are very concerned with commissioning art in restaurants," says McClintock, who designed such restaurants as New York City's America and the recently opened Cafe Greco, which are often characterized by their striking murals, paintings, columns and sculptures. Her firm uses commissioned art to "raise the customer's level of stimulation," and, more recently, to relate the food concept to the design through the use of subtle artistic clues.

McClintock enjoys "mystifying" spaces in her restaurants by twisting angles and making things float. Then she adds artwork—"a rich variety of visual elements"—that is aimed at exhilarating the customer by making the subconscious work hard to understand the space. "The customers are made more alert and observant," says McClintock. "They are turned on, which sharpens their faculties and allows them to taste their food more."

To achieve the high level of stimulation, McClintock combines various artistic elements—some obvious and others subtle, but all equally necessary to create a meaningful and varied whole. She will use an austere, intellectual mural, for example, to balance a more accessible, picturesque piece and then add other elements, such as sculpture and wooden columns. "Only when all elements are in place," says the designer, "is the space made whole."

As McClintock's experience with commissioned art in restaurants has broadened over the years, she has come to realize that the designer's relationship to the artist parallels the owner's relationship to the designer. "When we started out we thought the best client to work for was mute," she says. "Now, we want an intelligent client who speaks loudly and clearly."

Similarly, she has realized that the artists she commissions are most effective when they are "nudged, directed and nurtured." According to McClintock, "It's a delicate line between directing them and giving them as much free rein as possible."

What McClintock has found most striking about the artists and craftsmen, however, is their affordability. At many restaurants, she says, "the highest quality, most visible features are the murals, paintings and sculpture. Yet they are almost always very reasonably priced."

The murals at America, for example, which are such a vital element of the design package, cost only $18,000 (of the $1.25 million that was spent on design and construction). "That's a small amount," says McClintock, "when you consider the impact they make."

"The new trend is toward designs that complement the food."

—Sam Lopata, New York, NY

Lopata, a high-profile New York designer, argues that for several years American restaurants were becoming "over-designed." "We were using design," he says, "instead of food to attract customers to restaurants. Now we have come to the end of that cycle."

With the recent emergence of talented American chefs, Lopata recognizes a rise in the quality of restaurant food. "More attention is now being paid to food," he says, "and less money is being spent on design. This is good because a restaurant's main function is to serve food, not design."

Lopata predicts that as restaurant design becomes more of a backdrop for the food; smaller, more intimate settings will prevail. The back of the house, therefore, will become important to designers, who will have to know the final menu before they can determine what space and equipment is necessary in the kitchen.

Although Lopata is capable of un-

"More attention to design equals a greater awareness of the customer."

—Regina Baraban, author, New York, NY

Baraban, who was the founding editor of *Restaurant and Hotel Design Magazine* and is now co-authoring a book, *Successful Restaurant Design*, is quick to point out that a restaurant's design "is all tied into the type of restaurant and how long the restaurant is intended to last."

Many restaurants in New York,

derstated, subtle designs, such as his celebrated face-lift for New York's famed Lutece, he is more well known for his sense of whimsy and adventure. From enlarged cutouts of cartoon characters at Extra! Extra! in Manhattan, to the clock encircled by a spinning salmon at New York City's Lox Around the Clock, Lopata's distinctive handiwork usually succeeds at setting a light and enjoyable tone, creating, as he puts it, "a little smile for the public."

Even though design is becoming more of a complement to the food, Lopata maintains that he will continue to bring controversy to his work. "My clients," says the Frenchman, "are operators who want something unique." As an example, he cites one of his current customers, who has a chain of coffee shops in Japanese department stores. "They have an image problem," says Lopata, "so we are going to give them something distinctive and whimsical."

"Design can be boring if it's taken too seriously," Lopata explains. "There should be a little whim and fun involved. Nothing is better than to walk into one of the restaurants I've worked on and to see people smiling and having fun."

Are there any other advantages to his controversial designs? "Controversy sells," he says. "If a design gets the press and public interested, that's good for business. It's good for the operator, and it's good for me."

"A bit of punk, a bit of diner aesthetic, a bit of post-modern... the new trend is a combination of the fads of the last few years."

—Brad Elias, design director/ principal, Hochheiser-Elias Design Group, Inc., New York, NY

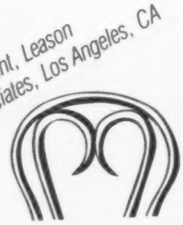
Elias, who has designed hotels, a casino and a discoteque, as well as many celebrated restaurants, recognizes a new formula for today's popular, trendy restaurant. He calls this new trend, which combines several styles, "The New American Bistro."

A change of materials is one noticeable aspect of this trend. According to Elias, the New American Bistro relies on a signature combination of elements that have been borrowed from different sources, such as the brighter colors—reds, electric blues, bright turquoises and yellows—from the 50s; the diner's slick, chrome surfaces and neon; and post-modern non-structural elements, such as columns, colored enamel pipe rails and glass block. But, adds Elias, the new formula is looser and more unexpected than the Victorian formula that preceded it, and, he points out, it is consequently a lot more fun for the designer.

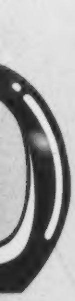
Elias views these design changes as a reaction to changing culinary tastes as well as a response to experiments in design and architecture that have happened over the last few years. Designs are freer, more eclectic and unexpected. "These design changes are going along with menu changes, but they aren't a response to the menus," says Elias. "Food has become more of an entertainment device in the last few years, and design has had to keep right up with it."

"Good design has a sense of time and place to it."

—Stanley Felderman, president, Leason Pomeroy/Felderman Associates, Los Angeles, CA



Felderman, who is known for his imagery-rich, inventive designs, such as the award-winning Max au Triangle in Los Angeles, CA, believes that "when clients say they don't want something that will be dated, they are really saying they want something bland and 'Milquetoast.' Of course, my motivation isn't to design



for example, are meant to be "right-up-to-the-moment fashion statements." That is why, she points out, many exhibit a high degree of whimsy, humor and inventiveness and use primary colors as accents.

At other restaurants, where there is more concentration on the food and the chef, the colors are more neutral. The design is a showcase for the food, as is demonstrated by open kitchens and rotisseries. Although noise is still an important factor, Baraban sees operators cutting back on reverberation with acoustic treatments, elevated dining areas or divisions between bars and dining rooms.

Baraban is excited about the growing group of restaurants, many of them small neighborhood eateries, that are extending their design ideas throughout the restaurant—to their tabletops, for example, and often into their restrooms. One restaurant that is paying more attention to its tabletops is Caiobella, a new Italian cafe in Manhattan. "Their black and white butter dish has a red slash that echoes the restaurant's design theme," says Baraban. "This shows an awareness for the customer that is a pleasure to see."

In general, says Baraban, there is much more sophistication and creativity in the design field today than there was in the 1970s. As restaurants and designers have become more competitive, "designers learned to ask the right questions of the operators." The result? "Restaurant interiors are starting trends in the design world," Baraban says. "And that's something rare."

something that is dated," he adds. "But I won't do a real neutral design. Being dated, like a 1957 Chevy, is a positive thing."

But the natural aging process is more desirable than "trying to create a place that is instant history." Felderman is happiest when he is asked to create a new and distinct image. "Then," he says, "you have the potential to create something that will leave a mark."

A high-quality, innovative restaurant design, like any other ground-breaking work of art, usually goes through phases of acceptance, explains the designer. In its initial phase, the design appears to be new and provocative, and its influence begins to filter into the work of other designers. Then comes a middle period, where the design no longer is considered to be something new. Sometimes during this period the design falls into disfavor. Finally, says Felderman, the design reaches a stage in which it conveys a sense of nostalgia to the public.

An example of such a design? "White Castle restaurants," says Felderman. "They are dated, but they are benchmarked. Each restaurant looks like it belongs where it is. The place feels more homey, which creates a clientele that's regular."

"Environmental psychology is the basis of profitable design."

—Robert DiLeonardo, president, DiLeonardo International, Inc., Warwick, RI

DiLeonardo's successful designs, which include many award-winning restaurants and hotels, result from an interesting combination of design skill and science. The Rhode Island-based designer believes that the more you know about a targeted guest, the more successful you can be in satisfying that guest's needs. To reduce the element of risk inherent in original designs, DiLeonardo includes an environmental psychologist on his 40-member staff to unravel the complexities of the marketplace and to scientifically determine an appropriate visual identity.

The environmental psychologist's job, he explains, is to study why people feel the way they do about a certain space—what they react to and why this knowledge can be integrated into a design that encourages guests to have fun, spend money and return.

Just as with other social sciences, data is based on experiment and observation. Research often includes visiting sites, leading focus groups, conducting customer surveys and telephone interviews with randomly selected households, holding staff interviews (in the case of an existing facility) and visiting potential competitors.

More specifically, the environmental psychologist first profiles the basics of the target market, such as age, income and group size. Then, he analyzes the "psychographics" of the market, which include people's expectations, motivations and perceptions of a place.

Once DiLeonardo's firm is armed with the data, they then can design for the specific market. "The result," DiLeonardo says, "is a visual identity or personality to which guests respond in the manner desired."

For example, DiLeonardo International recently completed the design of a Ramada property in the Washington, DC, suburb of Oxon Hill, MD. Demographics found a multi-cultural, well-traveled market with a common interest in happenings in the nation's capital. DiLeonardo translated these findings into a sophisticated design that is an elegant departure from the earlier Ramada image of a moderately priced, franchise operation.

The public areas have a Mediterranean flavor and the emphasis is on natural light, wrought iron and pastel pinks and greys. "We wanted to make the lobby spacious and to use a wide placement of tables in the restaurant. Our job was to create a feeling of formality that would allow the guests to remain aloof," explains DiLeonardo.

"Public tastes and tendencies affect design."

—Spiros Zakas, principal, Zakaspace, New York, NY, and Chicago, IL

Zakas, who has designed a variety of creative restaurants from coast to coast, is known as a designer whose designs "work." He considers it important to recognize that public tastes and tendencies affect design. For example, he says there are two reasons why restaurants are becoming brighter, noisier and more open. First, customers are more interested in lighter, healthier food. Second, patrons are dining out more often and are attracted to restaurants that provide a theatrical experience.

"Noise and light levels are creeping up," says Zakas. "And rotisseries and open kitchens are growing in popularity all over the country." In addition, "although we used to hide serving stations, now we are exposing them." Bread-cutting stations and fresh fruit displays, says the designer, "let customers see that things are fresh."

Another trend Zakas has noticed is one he calls "high perceived value in food." Because customers are interested in value, operators are playing down the look of a place to make it appear less expensive than it really is.

Zakas has also noticed that more operators are planning for takeout right from the start in the design phase by setting aside areas for deli cases or little bakeries and gourmet stores. "There are a lot of working people who don't want to come home and cook, but who want quality food," says Zakas. "The restaurateur can do a better job at getting them this food than the grocer." Situating these takeout areas away from normal traffic routes, says Zakas, "is the designer's major task." ❑

Shorter, Smaller WINE LISTS

Make More Dollars and Sense

by Ronn R. Wiegand

In an effort to introduce more American diners to the pleasures of wine, a growing number of American restaurateurs have begun offering their customers wine lists that are more flexible and less formidable in size and scope than those of a decade ago.

Large, imposing wine lists and a "name-the-wine-we've-got-it" posture are being abandoned by restaurants in all but the most wine-oriented segment of the industry. Simply put, wine lists are getting shorter and becoming more user-friendly. Restaurateurs have realized that weighty, extensive wine lists intimidate customers by the sheer number of available choices. Rather, they are offering a few select—and more exemplary—wines.

Customers are willing to experiment

Until recently, restaurateurs were under the impression that they had to have specific wines, such as red Bordeaux, on their wine lists for the list to be considered good or well rounded. (In the same way, restaurateurs once felt compelled to offer patrons prime rib on their menus.)

But with the boom in fine wine production around the world, American tastes have broadened. Bordeaux-styled wines, for example, are being produced from New York to Washington state and from Italy to Australia. And, although fine Pinot Noirs continue to be available from Burgundy, remarkable examples of the varietal have recently sprung up in Oregon and California. Customers are willing to try new or different wines and to trust a restaurateur's tastes or recommendations to a greater degree than before.

A large wine list can work against you

Restaurateurs are realizing that having more wines on the list does not really mean a better list (in precisely the same way that an extensive menu does not ensure gourmet cuisine).

Indeed, in all but a few restaurants that wish to make a specific "wine statement" to attract diners, a large wine list actually can work against the operation: Customers can become intimidated by lengthy lists; the laborious selection process slows down the service and turnover; service personnel, unless exceptionally well trained, resist selling wine or embarrass the restaurant by their ignorance. And, of course, long wine lists require a tremendous amount of time and capital to maintain properly.

There is also the very obvious problem of having sufficient par stocks on hand during peak business hours: Larger lists require dramatically more ready-space, particularly refrigeration. What if a large party wants to drink more than two or three bottles of a wine that requires chilling? What if there is a run on a particular wine? Is there a sufficient number of bottles on hand to satisfy urgent VIP requests or demanding, free-spending customers? And what about out-of-stock situations? Large lists are extremely difficult to keep up to date, which can be very frustrating to both staff and customers.

A case in point: Nine friends of mine recently went out on the town to celebrate a special occasion. They decided to have dinner at a well-known restaurant which boasts an enormous wine list of more than 1,000 wines. On paper, the list was very impressive. Yet, when it came down to ordering, their wine experience was a disaster: Three of the four Chardonnays they ordered were out of stock (with no indication of this on the wine list), and only two bottles of the fourth wine were available. A similar scenario followed for the other wines they ordered throughout the meal. How pleased or impressed do you think they were with the size of that restaurant's wine list?

Wines by the glass affect inventory

Offering wines by the glass has also affected the size of wine lists. It seems that people like the idea and convenience of being able to try a glass of wine instead of being forced to purchase a bottle, especially if it is something they have not tasted before.

Generally speaking, the more wines an operation serves by the glass, the shorter the wine list can—but doesn't necessarily have to—be. The reason for this is straightforward: If the wines by the glass are good (and they should be if you want repeat business), then customers may not make it to the wine list very often. Except for operations which are "wine destinations," restaurants that pour a good selection (eight or more) of quality wines by the glass, rotated every week or two, need not have a wine list of more than 50 selections.

The wine list format has changed, too

It is not uncommon today for the wine list to be included on the menu or presented as a card, booklet or table-tent or written on a chalkboard. The rationale, of course, is that by removing the "serious" appearance of the list, wine will become more accessible, less threatening and more enjoyable to customers—all of which, in theory at least, will contribute to more satisfied customers, higher check averages, increased customer counts and greater profits.

To my mind, this rationale is right on target, particularly in medium-priced foodservice operations that wish to capitalize on the splendid, long-term profit opportunities of wine. ❑

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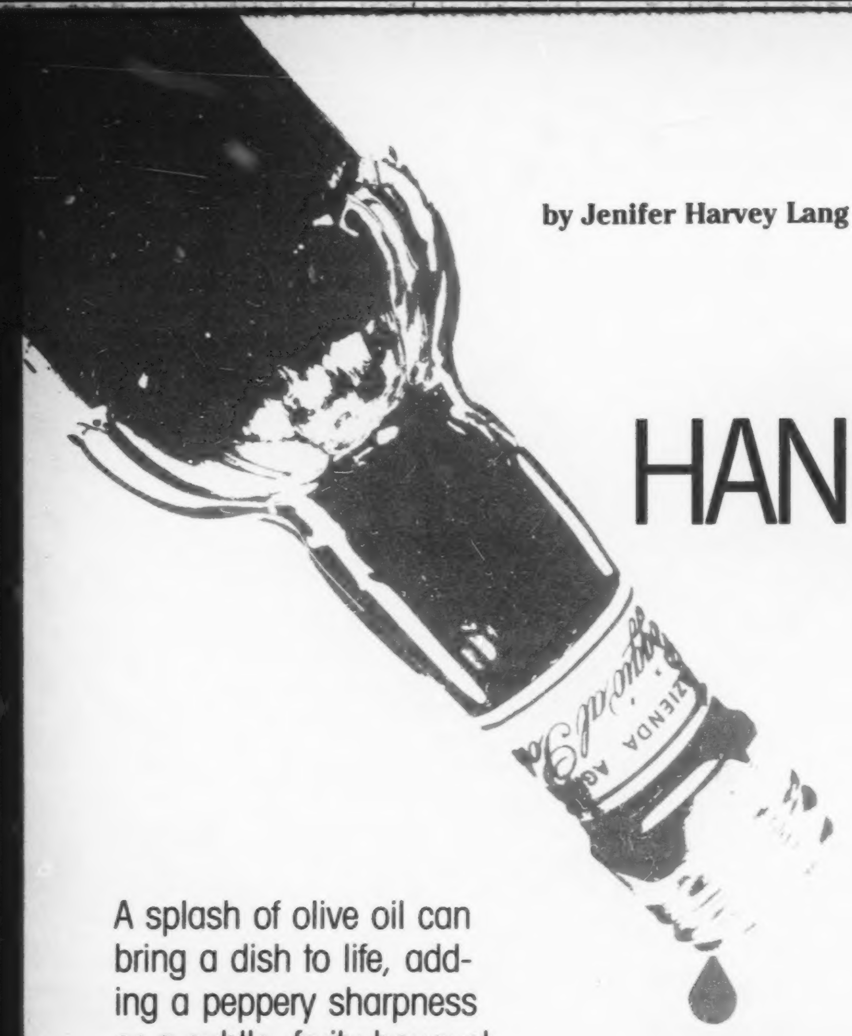
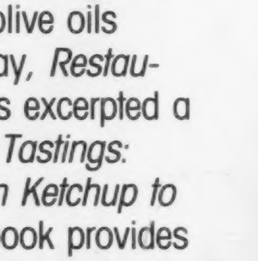
by Jenifer Harvey Lang



HANDPICKING THE RIGHT OLIVE OIL

A splash of olive oil can bring a dish to life, adding a peppery sharpness or a subtle, fruity bouquet. The range of flavors varies widely, making olive oil a versatile condiment, but sometimes a confusing one to purchase. To help you sort through the multitude of olive oils available today, *Restaurants USA* has excerpted a chapter from *Tastings: The Best from Ketchup to Caviar.* The book provides systemized ratings of basic pantry products by a panel of foodservice professionals.



Waverley Root, the eminent food authority, observed that the food of a region is shaped by the fat it is cooked in more than by any other ingredient. Some of the most delicious food in the world comes from places where olive oil is traditionally used for cooking: Provence in France, southern Italy, the Catalan section of Spain and the Middle East.

Until about 10 years ago, Americans had to be content with eating authentic versions of dishes from these regions only when traveling, largely because the outstanding olive oils with which they were made were not available here. Fortunately, the situation has changed for the better in America. The new gastronomic era has brought to our shores some delicious olive oils. Importers are searching out oils made by small, local producers in Spain, France and Italy, and these are now available in shops all across the United States.

It is vital to the understanding of olive oil to know that it is the only oil that is extracted from a fruit rather than a grain, seed or nut.

About 60 types of olive trees exist, but flavors and characteristics of olives are much more varied because of the variation in climate and soil around the world. A saying in Italy attests to this: "Where there's good wine, there's good oil," which refers to the fact that both grapes and olives grow well in a similar climate. In fact, many Italian Chianti vineyards grow olive trees in among the vines and produce some of the best olive oil in the world, notably Cacchiano, Badia a Coltibuono and Volpaia.

Almost all good olive oils are a blend of not only varieties of olives, but also of olives at various stages of ripeness. The harvest takes place over a period of weeks, sometimes months, beginning in the fall. It takes 1,300 to 2,000 olives to make one quart of olive oil.

Cooking and using olive oil

A top-quality, first-pressed olive oil is used in Europe almost as a condiment, and we are learning to do the same here. Italian food expert Franco Tommaso Marchi, referring to the way Italians use olive oil, wrote, "Olive oil? It's like parsley!" It is placed on the dinner table and poured over cooked vegetables, pasta, salads, even good crusty bread. Because a good olive oil has such integrity of flavor on its own, the Italians often dress a lettuce salad with olive oil and a little salt, nothing more; if they add vinegar at all, they only add a few drops, but certainly no other distracting flavors.

The smoking point of olive oil, the temperature at which the oil gives the first trace of smoke when it is heated, is almost as high as peanut oil, which smokes at 420°F. So you can panfry or deep-fry foods in olive oil, without fear of burning, as was previously believed, as long as the temperature is kept below 400°F.

Handling and storage

Olive oil will turn rancid quickly if it is exposed to heat and light, especially if it is the unrefined variety. For instance, keeping a bottle of olive oil next to the stove can cause the oil to become rancid very quickly. To avoid rancidity, decant olive oil into smaller, preferably opaque containers and use one, keeping the other in a cool, dark place. The best place to keep olive oils is in a wine cellar or in the same dark, cool spot you would store potatoes.

Experts caution against refrigerating olive oil; the condensation that results from the cold in the refrigerator causes water droplets to form on the inside of the bottle and drop into the oil, hastening rancidity.

When selecting an oil, keep in mind that oils packed in screw-top bottles will last longer than those closed with a cork or a plastic stopper. If unopened, you can expect that an oil in a screw-top bottle will remain fresh and safe to use for two years; otherwise, count on about one year. If an oil has been opened, it will stay fresh for about two months, a month or two longer if in a screw-top bottle.

If your olive oil has gone off, it will smell and taste rancid—sharp, bitter and stinging. Before rancidity sets in, however, the oil will become stale and will taste flat.

Olive oil fresh from the presses will taste strong and sharp, sometimes with a piquant bite which hits you in the back of your throat, especially if it has been made with a large percentage of unripe olives. Aficionados of rustic, earthy oils love this piquancy. After a few weeks, however, the strength of an oil fades, and it becomes more mellow.

Sometimes olive oil has a cloudy layer at the bottom of a bottle if it has been sitting on a shelf for a long time. This is caused by crystals of saturated fatty acids, which settle to the bottom. This does not affect the flavor of the oil and it is still perfectly safe to use.

How to judge olive oil

Tasting. A professional olive oil buyer uses chunks of bread to taste olive oil, although cold boiled potatoes are sometimes used. Those buyers who go to olive groves to test the oil just as it comes out of the press often pour a little of the oil into their palms and rub their hands together to generate heat, then they bring their cupped hands to the nose to smell the oil.

How to choose an olive oil for cooking

Cooking task	Type of oil
lettuce salads	light-bodied extra virgin
vegetable and composed salads	full-bodied extra virgin
sautéing	virgin or extra virgin
panfrying or deep-frying	one of the low-priced pure oils
marinating fish	light-bodied extra virgin
marinating vegetables	light-bodied extra virgin
pasta	full-bodied extra virgin
mayonnaise	virgin or light-bodied extra virgin
broiling/grilling	pure
pastries (as an ingredient or for brushing the tops of bread and rolls)	pure
condiment for cooked vegetables, pasta, salads	full-bodied extra virgin

CONSORZIO OLIO EXTRA VERGINE DI OLIVA
ZONA CHIANTI CLASSICO

Our oils were poured into small clear plastic cups so that we could compare their colors and viscosity. Panelists used seltzer and unsalted crackers to clear their palates.

Our panel of judges used chunks of bread, celery sticks and spoons made of plastic, so that metal didn't interfere with the taste of the oils. Many panelists used their fingers to taste the oils.

Color/eye appeal. Depending on the state of the olives when they are pressed and the type of olives used, the color of an olive oil ranges from deep bottle green to almost clear white. Oil pressed from unripe olives has a green, and sometimes deep green, color. Ripe olives produce a straw-colored oil. On the other hand, oil that is too pale and almost white will most likely taste too bland. Oil that is freshly pressed will be darker in color than oil that was pressed months earlier and has faded.

The depth of color of the oil can indicate its strength of flavor. Color can be misleading, however. For example, some manufacturers press the leaves along with the olives to extract a deep green color from the chlorophyll. The chlorophyll also acts as an antioxidant, making the oil last a little longer before becoming rancid.

An oil that is crystal clear has been filtered; one that is not clear is probably an unfiltered oil which still has tiny particles of fruit suspended throughout. Rather than being a defect, many experts feel that this kind of oil is superior to filtered oil. The better the oil, the longer it takes to settle and become clear because the particles are so tightly bound.

Taste aroma. The mechanics of an olive oil tasting are much the same as with wine. First the oil is swirled around the glass and the color and body are checked. Then the taster smells the oil in the glass. The olive oil is then either sipped and swished around on the tongue and/or tasted from a piece of bread.

Olive oil made from green (underripe) olives is strong and peppery in flavor. Its flavor can be grassy-tasting and quite harsh, rather like the taste of an olive picked fresh off the tree and eaten without curing. When olives ripen, they turn purple-black. The oil from ripe olives is less piquant, more subtle, than that from the green olives. Oil from ripe and overripe olives also tastes more oily than oil from underripe olives.

Bad olive oil can taste *greasy* (or fatty), leaving an unpleasant coating in the mouth; *bitter, sour* or *bland* (a common problem with the pure oils).

Consistency. Some olive oils are very thin and runny, especially those that are refined. Some are so thick that their texture is unpleasant. A good olive oil should have a certain amount of body, thicker than a refined vegetable oil. The best olive oils have a rich texture that is not viscous or fatty.

Aftertaste. The piquancy of a freshly pressed olive oil that lingers after the oil is swallowed, called *pizzica* in Italian, is considered desirable. For some, however, especially those new to the genre, it can overpower the flavor of the oil. It is an acquired taste.

General classifications

The proper flavor of an olive oil is a highly subjective judgment. There are heavy olive oils for food that is robust, bold, full-bodied and pronounced in flavor, such as moussaka or chili. And there are gentle and fine olive oils for subtle flavored dishes, such as poached salmon. Both heavy and light olive oils are a matter of style, often one of national character.

Although there are glaring exceptions to these general classifications, imported olive oils can be described thusly:

☐ **Italian.** Italian oils, notably those from the north, are the finest oils in the world. They are more sophisticated than oil from other countries, but also more difficult to get used to. Northern Italian oils are generally heavy, robust, often with a peppery flavor, while southern Italian oils are strongly flavored with an oily consistency, instant taste recognition and very little aftertaste.

☐ **Spanish.** Spanish oils are similar to the heavier Italian oils, but are generally rougher and harsher. Spanish oils are to Italian oils what Spanish wines are to Italian wines: Some of them are as good as an average Italian oil, but none equals the very best Italian oil.

☐ **French.** Because French olive

EXTRA
OLIV
Poggio
BADIA A PASSIGNANO
Net Content

Full-bodied extra virgin olive oils

(in order preferred)*

Fattoria della Sala (*Italy*), well balanced
Fattoria di S. Prugnano (*Italy*)
Badia a Coltibuono (*Italy*)
Poggio al Sole (*Italy*), earthy
Castello di Volpaia (*Italy*), good, biting olive flavor
Peloponnese "Agoureleo" (*Greek*), clean and fruity
Bonollo (*Italy*), strong *pizzica*, good body
Epicurean (*Italy*), good ripe olive flavor
Moulin Moderne (*France*), strong olive flavor
Marchese Emilio Pucci (*Italy, from the villa of the dress designer*)
Castello di Cerreto e Granaiolo (*Italy*)
Castellare (*Italy*), very green tasting, slightly acrid flavor
Mancianti (*Italy*), strong olive flavor
La Taste (*France*), heady olive flavor
Manosque (*France*), fruity and clean
Montefollonico (*Italy*)
Sagittario (*Italy*), strong bite, but olive flavor falls off quickly
Market Square (*U.S.*), light olive flavor, perfumed
Bertolli Extra Virgin (*Italy*), slightly peppery
Haute Provence (*France*), strong and olivey

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Fattoria dell'Ugo (*Italy*), oily, sour aftertaste, little olive flavor
Amastra (*Italy*), emerald green (extra color added), gelatinous
Fattoria di Ama (*Italy*)
Case Nuove (*Italy*), slightly greasy
Antinori (*Italy*), bad aftertaste
Castello di Cacchiano (*Italy*), rough, peppery
Santa Cristina (*Italy*), acrid and peppery, well made but almost unpalatable
Frescobaldi (*Italy*), very strongly piquant, hard to take
Col d'Orcia (*Italy*), acidic, bitter
Vierge de Borjas (*Spain*), rough and harsh
OLEA (*Italy*), rough
Villa Banfi (*Italy*), chemical, bitter, sharp

IRGIN
OIL
Product of Italy

Light-bodied extra virgin olive oils

(in order preferred)*

Raineri (*Italy*), subtle and well balanced
Aux Produits du Nyonsais (*France*), nutty, subtle oil
Bucci (*Italy*), subtle, complex, lingering aftertaste
Siurana (*Spain*)
Mostolio Venturelli (*Italy*), balanced, natural olive taste with the sweetness of fresh walnuts
Estus Gourmet (*California*), very ripe flavor, elegant
Castello di Fonterutoli (*Spain*), earthy
A l'Olivier (*France*)
Colline Umbre (*Italy*), greasy with a little piquancy
Vieille Ferme (*France*), fruity
Goya (*Spain*), no aroma but light, attractive flavor
Acisi (*Italy*)
Olivieri (*Italy*)
Sagra (*Italy*)
Benedicta (*France*)
Old Monk (*France*)
Colavita (*Italy*)
Benecum Venturelli (*Italy*), oily, neutral, with a slight pepperiness
Gaeta Itri (*Italy*), slight pepperiness, a little oily
Clio (*Italy*), strong biting aftertaste
Flower of the Olive Tree (*France*)
Hilaire Fabre (*France*), oily
Calambra (*California*), flowery
Vall'Aurea (*Italy*), greasy, not much olive flavor

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Eden (*Spain*), a little sour
Artaud (*France*)
Crespi (*Italy*), greasy, bland
Montorselli (*Italy*)
Flag (*Italy*), unctious, unpleasant
Puget (*France*), sour
Louis de Regis (*France*), acidic
Callisto Francesconi—Lucca Extra 1 (*Italy*), bland

** Products listed above the dotted line were considered acceptable by a panel of foodservice professionals who, after controlled blind tastings, ranked the products on color, taste, aroma and other pertinent characteristics.*

oils are usually pressed from ripe olives, they are golden in color and have a light body; they taste fruity, sometimes with nutty overtones. French oils are not nearly as thick and viscous as oils from other countries and also not as complex in flavor. French oil is good for homemade mayonnaise, and a good oil to use if you like subtle food.

Some French oils imported into the United States carry voluntary designations of *douce* (sweet) and *fruité* (fruity). *Fruité* olive oil has been pressed from unripe olives and will be stronger in color and taste than oil labeled *douce.*

☐ **Greek.** The Greek oils we get in this country are generally not of the extra virgin, first-pressed variety, but some can be of a higher quality than the lesser grade oils of other countries. They are strongly redolent of olives, full of character and very hearty as well as thick in consistency.

Deciphering labels

Understanding the terminology on olive oil labels is also helpful in choosing the right product. The variety of terms, along with the differences in U.S. and international labeling regulations, can sometimes be confusing.

☐ **International regulations.** All major international olive oil producing countries are members of the International Olive Oil Council (I.O.O.C.). After an oil is made in an I.O.O.C. member country, it must undergo two tests of quality. One determines the acidity level of the oil. The other its odor and flavor. Only if an oil has passed these two tests can it legally be labeled "extra virgin," "fine virgin," or "semi-fine virgin."

Some olive oil contains too much natural acidity to qualify for these ratings. To render it edible, it must be refined, which makes it completely tasteless. Then, in some cases, a small amount of first-pressed or extra virgin oil is added to give it some olive flavor and a little bit of acidity (no more than 1.5 percent). These refined oils, often labeled "sansa and olive oil," "pure olive oil," or "Riviera," account for 92 percent of the oil imported into this country.

Watch for meaningless phrases, such as "extra first" and "extra #1" and "cold pressed." "Cold pressed" is often used on extra virgin olive oils in much the same way as the word "natural" is used on so-called health foods in this country. Eugenio Pozzolino of Dean & DeLuca Imports also warns of olive oils simply labeled "imported" and those labeled "packed in Italy" rather than "product of Italy"; they could be low-quality Tunisian oils which are refined and repacked under Italian labels.

The Chianti region of Tuscany in Italy produces some of the best olive oils in the world. The specially designed round Chianti Classico label can appear only on a bottle of oil that has been unrefined and produced in a manner traditional in the region. By the same token, if you see the words *denominacio d' origen* on a bottle of olive oil from Spain, it has come from the Catalan section and has less than 0.5 percent acidity (less than the maximum 1.0 percent for regular extra virgin).

☐ **U.S. regulations.** United States labeling regulations for olive oil made in this country concern processing but not the acidity level of the product. They require that a product labeled "virgin olive oil" must be from the first pressing of the olives without further processing. Any oil that is a blend of refined and virgin oil may be labeled "pure" but not "virgin." The United States government has no specifications for extra virgin oil, but many American oils labeled "virgin" qualify as extra virgin with respect to acidity.When trying to find a good olive oil, look for one that is not more than one year old. Check the label for the grower's name and the district from which it comes; the more specific the better, just as with wine.

The important words to look for on a bottle of olive oil are "bottled in the country of origin" (or words to that effect) as well as "first-pressed." These words, in addition to "extra virgin" if the oil is imported and "virgin" if the oil is made in the United States, are your indication that the olive oil has a low amount of acidity and a chance of tasting like the olives from which it was made. ❑

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A DICTIONARY OF FATS

Because a high-fat diet is associated with heart disease and cancer, many Americans are reducing their total fat consumption, especially of saturated fats. This dictionary of terms will help you understand the different types of fats and their uses and can help you better communicate with concerned customers.

by Claire Regan, R.D.

* **Animal fats** are solid and saturated in nature. They are very popular because of the flavor they impart to foods. Examples: butter, lard, tallow.

* **Butter** is perhaps the best-known saturated fat. It is made from either sweet or sour cream.

Butter's narrow plastic range (its ability to remain solid yet be molded or shaped) makes it a less effective shortening agent than other solid fats. But, it is this characteristic, in combination with its melting point, that gives butter the "melt-in-the-mouth" quality desired in some baked products.

Butter must contain at least 80 percent fat; of the remaining 20 percent, about 18 percent is water and 1 to 2 percent contains milk solids. Salt has traditionally been added to butter during processing, but unsalted varieties are available and are gaining popularity.

* **Butter grades**. Butter that has been graded by the U.S. Department of Agriculture (USDA) bears a shield on the package to indicate the quality at time of grading. Grades depend on flavor, body, texture, color and salt.

☐ *U.S. Grade AA* is given to butter with a smooth, creamy texture made from high-quality sweet cream.

☐ *U.S. Grade A* butter has a fairly smooth texture and a desirable flavor that tastes slightly less fresh than Grade AA.

☐ *U.S. Grade B* is made from select sour cream and has a slight acid taste.

* **Health-related terms.**

☐ *Cholesterol* is a waxy, fat-like substance that is produced by the body and found in foods of animal origin. Excessive dietary cholesterol is associated with elevated blood cholesterol which in turn contributes to plaque formation and the development of premature coronary heart disease.

☐ *Monounsaturated fats* were once thought to be neutral in their effect on cholesterol levels, but recent studies indicate monounsaturates lower cholesterol levels and maintain or elevate HDL (high density lipoprotein). HDL clears cholesterol from the blood and is therefore often referred to as "good cholesterol." Monounsaturated fats are dominant in avocados, peanuts, olives and almonds.

☐ *Polyunsaturated fats* are derived from vegetables, such as corn, safflower and sesame. Diets high in polyunsaturated fats tend to lower blood cholesterol. Unlike saturated fats, polyunsaturated fats are liquid at room temperature. They are more susceptible to oxidative rancidity than are saturated fats. (Although they differ slightly in chemical structure, the oils in fish are polyunsaturated and seem to have a greater ability to reduce cholesterol than their counterparts in vegetables.)

☐ *Saturated fats*, which are frequently used for deep fat frying because of their ability to withstand deterioration, have been associated with elevated blood cholesterol levels and the risk of heart disease. Saturated fats come from animal fats, like those in beef, chicken, whole milk, cheese and butter. By a fluke of nature, two plants—palms and coconuts—yield oils that are primarily saturated.

* **Hydrogenation** transforms liquid unsaturated vegetable oils into more solid, saturated varieties that have an increased resistance to deterioration and gum formation, thereby prolonging their fry life. This technology has made possible the production of margarine and shortenings from vegetable oils. (Prior to hydrogenation, shortenings were manufactured from animal fats.)

Although hydrogenation improves the integrity of oil for cooking purposes, it also reduces the percent of unsaturated fat and increases the saturated fat content. Still, hydrogenated vegetable shortening contains less saturated fat than an animal vegetable blend and would be a better frying medium for those concerned about the fat content of their diets.

* **Lard** is solid fat rendered from pork. Although lard imparts a grainy texture and distinct flavor, it was widely used in baking because of its wide plastic range. Unlike butter, lard remains solid yet workable at temperatures from about 65° to 95°F. Although lard is still favored by some European bakers and by doughnut producers, it is not recommended for all-purpose frying because lard has a low smoke point, which means it deteriorates at low temperatures and produces a bluish, acrid smoke. A shortening blend of lard and vegetable fat minimizes lard's undesirable characteristics.

* **Liquid oils** generally are polyunsaturated fats and used primarily in salad dressings and for panfrying. Although they have high smoke points, they are less

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stable than hydrogenated vegetable shortenings and inappropriate for deep fat frying.

Soybean is the major source of oil used in the United States. In recent years, safflower, corn and sunflower oils have gained popularity due to their high polyunsaturated fat content. More exotic oils, such as peanut, olive, walnut and avocado, tend to outprice their common counterparts and are used primarily for their unique flavor attributes.

* **Margarine** was developed in 1869 by a French chemist who entered a contest sponsored by Napoleon III. The challenge was to create a nutritious, tasty and economic alternative to butter. Today, margarine is at least 80 percent fat. It is a blend of hard fat or oil with other ingredients, such as water, milk products, salt, flavoring and coloring. Hydrogenated oils are used to produce a firm product.

* **Shortenings** are hard fats (animal, vegetable or a blend) used in food preparation. Named for the short or tender quality they add to baked goods, shortenings are now commonly used for frying as well as baking.

☐ *All-purpose shortenings* are appropriate for smaller operations with limited storage space. These solid fats are plastic enough to be used in baking, and their high smoke points make them suitable for frying. All-purpose shortenings are available in both all-vegetable and animal/vegetable (A/V) blends.

☐ *Baking shortenings* are designed to blend well with ingredients used in baked products and may have emulsifying agents added to facilitate blending. Emulsifying agents reduce the smoke points of shortenings, making them less appropriate for deep fat frying than an all-purpose or heavy-duty shortening. Most shortenings used in baking have a wide plastic range, which makes it easy to add a large amount of sugar during creaming.

☐ *Blended shortenings of animal and vegetable fats* are widely used for frying because of the flavor they give to food. A/V shortenings are more saturated than vegetable shortenings and tend to resist gumming. Although they were bargains in the past, A/V shortenings are currently comparable in price to their all-vegetable counterparts.

☐ *Griddle shortenings* resist the gumming and sticking that occur when salad oils are used for griddle cooking. These shortenings are available in both solid and liquid forms and often include additives that simulate the color and flavor of butter. Salt is omitted from griddle shortening because it promotes sticking.

☐ *Vegetable shortenings* for frying come in both liquid and solid forms. Liquids are easier to use because they are pourable and need no melting. Plus, the low melting point of liquid shortening produces fried foods that taste freshly fried rather than waxy.

Solid frying shortenings are heavily hydrogenated, making them brittle at room temperature yet more resistant to deterioration. These "heavy-duty" shortenings often have anti-foaming and gumming agents added to further extend their fry life. Consequently, heavy-duty shortenings may be desirable for operations with low turnover, but their high melting points produce fried foods that leave a waxy taste. As a result of findings that emphasize the benefit of higher polyunsaturated fat content, household vegetable shortenings now typically contain 22 to 32 percent polyunsaturated fatty acids. Plus, the saturated fat content is considerably lower than A/V shortening blends.

* **Tallow** is a solid fat rendered from beef. Because of its hard, firm texture, lack of plasticity and hearty flavor, it does not blend easily with ingredients used for baking. It is used primarily for deep fat frying, french fries in particular.

* **Vegetable fats** are liquid vegetable oils transformed into solid, saturated varieties by hydrogenation. ❑

Avoiding the problems of cooking with fat

When deep fat frying, it is important to keep fat absorption minimal. Fat-soaked food is not only unpalatable but also high in calories. Time, surface area and character of the food are the primary determinants of fat absorption. Fat should be kept at optimum temperatures. Low temperatures extend cooking time and promote excessive absorption, and high temperatures tend to produce an undercooked product with an overly browned surface. Foods with less surface area, such as fritters, will absorb less fat than foods which have larger surface areas, such as chicken. Egg-washed foods minimize fat absorption.

Fat used for deep fat frying can be adversely affected by use. For example, heated fat begins to deteriorate and produce a bluish smoke when it reaches its smoke point temperature. Smoke points vary depending on the natural composition and processing (see chart). Particles of food or salt lower the smoke point. Emulsifying agents added to baking shortenings also reduce smoke points.

Fat can become rancid by reacting with either water or air. Hydrolytic (water) rancidity usually does not produce the undesirable odors and flavors that are characterized by oxidative (oxygen or air) rancidity. The latter is responsible for most of the spoilage of fats and fatty foods. As fat reacts with air, it breaks down into smaller, volatile compounds that produce the unpleasant rancid odor. Salt also increases the incidence of rancidity.

Rancidity self-perpetuates; once it begins, it continues as a chain reaction. The more unsaturated a fat, the more susceptible it is to oxidative rancidity. Therefore, hydrogenated shortenings and animal fats withstand air exposure better than do oils.

High temperatures facilitate polymerization, which takes place as small fat molecules combine to form larger polymers. Often accompanying excess oxidation, polymerization is characterized by the excess foaming and gumming of frying fat. Fat that has reached this point of deterioration should be discarded as it increases the fat absorption of food cooked in it and can be a fire hazard.

Cooking implements also affect fat degeneration. For instance, fryers are deep and narrow to minimize the amount of fat exposed to the air. Copper and iron tend to catalyze or hasten oxidative rancidity, which is why most fryers are made of stainless steel.

The fry life of shortening can be extended with proper care. Shortenings should be filtered daily and stored in the refrigerator until further use, and the fryer should be cleaned thoroughly. Powdered absorbents enhance filtering. When added to shortening before filtering, these powders trap small particles that otherwise may escape.

Smoke points of fats*

Type of fat	Initial smoke point	After use smoke point
Lards	361°–401°F	331°–349°F
Vegetable oils	441°–450°	367°–369°
Emulsified vegetable shortening	356°–370°	336°–349°
Animal/vegetable shortening		
• Emulsified	351°–363°	329°–334°
• Nonemulsified	448°	367°

* *Temperatures at which fat begins to deteriorate and produce bluish smoke*

Source: Lowe, Pradhan and Kasteliz. *Journal of Home Economics*, 50:778-779, 1958

FISHER'S LAW

#83

Getting a bank loan

The negotiations that take place when you apply for a bank loan to benefit your business more often resemble an art rather than a science. With a reticent boldness, let me identify some of the strategies you may want to consider.

1. Go to the bank branch that is located in the absolute worst section of town. That bank is probably used to dealing with deadbeats and problem accounts, and you could represent a breath of fresh air.

2. Make sure that you look terrible. Don't comb your hair or brush your teeth for at least four days prior to your visit and, if you are a male, don't shave. Be sure to wear your oldest clothes. If some of the garments are torn and tattered, all the better since you want to come across as being eccentric. Bankers lead a pretty dull life, and they like some novelty now and then.

3. Ask to see the youngest loan officer in the bank; that person will likely be the most inexperienced loan officer as well. In the course of your discussions, you can be alternately disdainful and patronizing, depending on how things are going.

4. If the loan officer says he or she only has loan authority up to a certain figure, don't be disheartened. Simply reply that you will take five or 10 loans, each up to the limit so that you can get the full amount you want.

5. Do not reveal any personal or business history or information about your current operations. Tell the bank officer that this is privileged communication. The strategy here is to add a little mystery to your eccentricity.

6. Do not give the real reason for wanting the loan. Instead, say that the purpose is for something the loan officer is also interested in. For example, if the loan officer is a sailing enthusiast, state that the purpose of the loan is to buy a yacht or a powered sailboat. If the loan officer drives a hot sports car, say that you intend to buy one or more sports cars. In this way, you draw the loan officer "into your corner."

7. You will be asked to provide financial statements, probably for the last three years. Be sure you provide unaudited statements and if you have to "embellish" them a little, then so be it. Be sure to indicate that one of the reasons you are a success is that you don't throw money away on such frills as auditors and bookkeepers. You have been keeping your own books for years.

8. You will also be asked to project your financial statements forward, probably for three years. This includes your operating statement, balance sheet and cash flow statements. Here is where you can give vent to your creative instincts. Portray your projected statements so there is no question that they show you don't need a loan. Bankers like to deal with strong, solid companies. They will be the first to tell you that the best time to borrow money is when you don't need it because that's when you look your best.

9. Don't be too concerned about the repayment terms because you will not keep to the established schedule anyway. You will, of course, drag on your payments, etc. The bank is used to such practices (remember the bank's location), and the loan officer will just regard it as part of your eccentricity. You're just too successful to deal with minute details.

10. As for collateral, don't pledge any tangible item of value. You could pledge indentured servitude contracts for your spouse and family members as one alternative or you could argue that your signature and reputation are sufficient to secure the loan. After all, there are other lenders hungry to lend money, so you are the one who is being good to the bank by asking them to deal with you. Never let them forget how privileged they are to have you as an "asset."

11. The bank may pontificate to you about the five c's of credit (character, capital, capacity, conditions and collateral). You will have already established the fact that you are a character; if they give you the loan, you will have the capital; you have the capacity since you knew enough to ask for the loan; the conditions are right because you need the money now; and we have already addressed the matter of collateral.

12. Don't sit still for any restrictions, such as compensating balances, pre-set working capital levels, debt/equity ratios, etc. I mean, after all, who's running your business—you or the bank? Believe me, the bank really does not want to run your business. It doesn't know how.

Fisher's Law #83: *If you follow this strategy for getting a loan, banks will leave you alone.*

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Paula Grisanti saves the day

Paula Grisanti, wife of President and Chairman of the Board Michael Grisanti, saved the day in Dallas last month.

At an elegant banquet preceeding the Texas Restaurant Association (TRA) Convention, the Texas Beef Industry Council presented a videotape depicting the careers of G. "Jim" Hasslocher, immediate past president of the National Restaurant Association, and his daughter, Susan Hasslocher, immediate past president of the Texas Restaurant Association. The tape is both a tribute to the renowned father and daughter team and a recruitment tool depicting the rewards of careers in foodservice.

Detained in New York, Michael Grisanti could not be on hand to thank the Beef Industry Council and congratulate the Hasslochers. Paula Grisanti, already in Dallas, learned of her husband's dilemma by phone and agreed to represent the association in his place.

"To attract qualified employees, we have to do a better job of telling our story," Paula Grisanti told the banquet guests. "The public should know about the rapid career ladder in foodservice. It should know about the opportunities in our industry for creative work with food and with people."

Michael Grisanti, who arrived in Dallas in time for the TRA Convention, congratulated the Hasslochers personally and addressed the TRA Board on the National Restaurant Association's plans for the coming year.

Association membership elects new directors

During the annual membership meeting at the association's 68th National Restaurant, Hotel-Motel Show in Chicago, the following new directors were elected to the association's board:

☐ Bruce Bannon (Open Hearth Restaurant, Inc.; Gatlinburg, TN)

☐ Donald E. Doyle (KFC Corporation; Louisville, KY)

☐ Max Fillmore (Flying J Travel Plaza; Ogden, UT)

☐ Stephen S. George (Haussner's Restaurant, Inc.; Baltimore, MD)

☐ Clark D. Jones (JB's Restaurants, Inc.; Salt Lake City, UT)

☐ Tom Kapp (The Tillerman; Las Vegas, NV)

☐ Gretchen Mathers (Gretchen's Of Course; Seattle, WA)

☐ J. William Rooks (Sea World, Inc.; Orlando, FL)

☐ Dick R. Stubbs (Applewoods Restaurant; Oklahoma City, OK)

☐ William F. Swearingen (The Abbey, Inc.; Atlanta, GA)

☐ J. Alan Ward (Taco Casa; Topeka, KS)

☐ John R. Weichman (Weichman's All Seasons Restaurant; Mobile, AL)

Newly elected international directors are:

☐ William Dover (Red Lobster Canada Scarborough; Ontario, Canada)

☐ Tetsuro Kosaka (Hibiya-Matsumotoro, Inc.; Tokyo, Japan)

☐ Gunther Mauracher (Operadora, VIPS, SA, Mexico).

Paula Grisanti, DMD, has taken a sabbatical to support her husband throughout his term as president and chairman of the board of the National Restaurant Association.

Grisanti names new committee chairmen

As Chairman of the Board and President of the National Restaurant Association, Michael J. Grisanti (Grisanti, Inc.; Louisville, KY) recently appointed several board members as chairmen of the committees and task forces directing the association's activities for the year 1987-88. As chief executive officer, Grisanti heads the executive committee. Other new chairmanships are as follows:

☐ **Audit:** Joseph K. Fassler (Greyhound Food Management, Inc.; Phoenix, AZ)

☐ **Bylaws:** Stephen E. Elmont (Creative Gourmets, Ltd.; Boston, MA)

☐ **Communications:** Harry A. Klingeman (Indian Trail Restaurant, Inc.; Winnetka, IL)

☐ **Convention:** John C. Metz (Custom Management Corp.; Kingston, PA)

☐ **Finance:** Harris "Bud" Rusitzky (Serv-Rite Food Service and Consulting Corporation, Pittsford, NY)

☐ **Government Affairs:** Richard E. Marriott (Marriott Corp.; Washington, DC)

☐ **Industry Image/Human Resources:** John F. Cauley, Jr. (Friendly Ice Cream Corp.; Wilbraham, MA)

☐ **Investment:** James H. Maynard (Golden Corral Corp.; Raleigh, NC)

☐ **Membership:** William H. Latham (Olde English Pubs, Ltd.; Jackson, MS)

☐ **Nominating:** Kenneth Hill (T.J. Cinnamon's Ltd.; Kansas City, MO)

☐ **Pension & Employee Benefits:** Stephen H. Huse (Noble Roman's, Inc.; Bloomington, IN)

☐ **Political Action:** Ralph O. Brennan (Mr. B's, Inc.; New Orleans, LA)

☐ **Political Education:** John R. Farquharson (ARA Services, Inc.; Philadelphia, PA)

☐ **Research:** Richard C. May (Gilbert/Robinson, Inc.; Kansas City, MO)

☐ **State Relations:** Paul W. Lazar (Wharf Tavern, Inc.; Warren, RI)

☐ **Task Force on Exchange Directors:** Richard E. Cregar (Cregar Enterprises; Orchard Lake, MI)

☐ **Task Force on Public Affairs Conference:** Robert S. Wood (Bob Evans Farms, Inc.; Columbus, OH)

☐ **Task Force on Monterey Wine Festival:** Michael Hurst (15th Street Fisheries; Ft. Lauderdale, FL).

New excitement in Italian segment

Although National Restaurant Association research reveals that Italian food is the most well-known, well-liked and frequently ordered type of ethnic cuisine, adjectives such as "staid" have often been used to describe the segment. Changes in the market, however, are making these adjectives obsolete, bringing a new air of excitement to Italian food and Italian restaurants.

The Italian segment of the industry is changing. Operators are enticing consumers with new pasta dishes, lighter versions of some classic Italian specialties and lesser-known regional offerings. Competition has begun heating up, too, especially as chains attempt to infiltrate territory long held by independents.

Italian restaurants are growing

Midscale restaurants attract the largest share of total Italian restaurant customer traffic—59 percent—according to CREST *Household Report* data.* The remaining proportion is held by the upscale segment; higher-check upscale restaurants account for 9 percent of the traffic and moderate-check upscale Italian restaurants account for 34 percent. The share of traffic held by each type of restaurant has remained virtually unchanged since 1982.

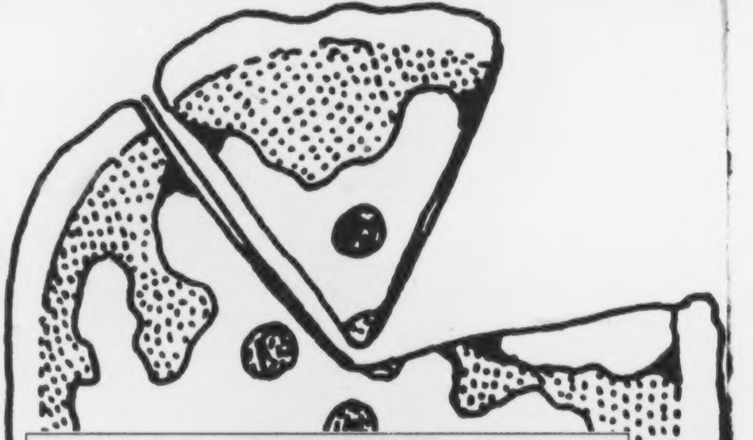
Although there has been little fluctuation in shares of traffic, both the midscale and upscale Italian restaurant segments have been growing. Between 1982 and 1986, customer counts at midscale Italian restaurants rose 28 percent and they climbed 25 percent at upscale Italian places.

1986 was a particularly good year for both segments. Spurred by unit growth and increased consumer interest in ethnic cuisines, customer traffic at midscale and upscale Italian restaurants increased 16 and 13 percent, respectively, last year. By contrast, in 1986, traffic at all upscale restaurants was up less than 1 percent, and customer counts at all midscale places dropped by nearly 4 percent.

Sales have also grown substantially at Italian restaurants. Between 1982 and 1986, sales increased 29 percent at midscale Italian restaurants, and they rose 32 percent at upscale Italian establishments.

Dinner captures largest share

Italian restaurants do most of their business at the evening meal. Two-thirds of all midscale occasions are for dinner as are more than three-fourths of all upscale occasions.



Share of customer traffic by meal period

Italian restaurants do most of their business during dinner

	Lunch	Dinner
Midscale Italian	30%	65%
Upscale Italian		
Moderate-check	20	77
Higher-check	16	78

Note: Breakfast and snacks combined captured 6 percent or less of total traffic at Italian restaurants. Therefore, those figures were not included here.
Source: CREST Enterprises, *Annual Household Report*, 1986

Takeout at Italian restaurants

Off-premises dining is more common at midscale Italian restaurants

	Proportion of total occasions for off-premises dining
Midscale Italian	35%
Upscale Italian	
Moderate-check	13
Higher-check	2

Source: CREST Enterprises, *Annual Household Report*, 1986

Lunch traffic is growing, especially at midscale Italian restaurants. In 1986, lunch captured 30 percent of all customer traffic at these restaurants, up from 23 percent in 1982. And between 1982 and 1986, customer counts grew 63 percent. At upscale Italian dining establishments lunch traffic rose 39 percent during this period. However, the noon meal's share of total traffic remained at about 19 percent. 1986 CREST data reveal that lunch is more important at moderate-check than at higher-check upscale Italian dining establishments, accounting for 20 percent of total customer traffic.

Takeout on the rise

Just as in other sectors, takeout is gaining strength within the Italian segment. Midscale operators have gained more by the trend

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** In this article the Italian restaurant segment includes midscale and upscale Italian restaurants as defined by CREST (Consumer Reports on Eating Share Trends.) In 1986, midscale Italian restaurants posted an average per-person check of $4.85, moderate-check upscale places averaged $6.86 and higher-check upscale establishments averaged $21.46.*

than have upscale restaurants. In 1982, 24 percent of all midscale Italian restaurant occasions were for off-premises dining, but the proportion rose to 35 percent by 1986. Customer counts for takeout increased 85 percent over this five-year period.

Of total off-premises midscale Italian restaurant traffic, carryout captured the largest share in 1986—83 percent, down from 90 percent in 1984. Carryout has lost some ground in recent years because delivery is on the rise. In 1984, delivery captured 9 percent of total off-premises traffic within this segment, but by last year its share had increased to 15 percent.

Whether the food is carried out or delivered, most consumers choose to eat their Italian takeout food at home. In 1986, more than seven out of 10 takeout occasions at midscale Italian restaurants were for at-home consumption.

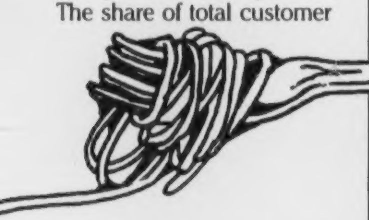
Takeout is less important for upscale Italian operators. The share of total customer traffic accounted for by off-premises dining has declined since 1982, from 16 to 11 percent. Moderate-check upscale operators account for most of the takeout occasions within the upscale segment. In 1986, 13 percent of all eater occasions at moderate-check upscale Italian restaurants were for takeout versus 2 percent at higher-check Italian dining establishments. Carryout is by far the dominant form of takeout at upscale Italian restaurants.

Restaurant visit by prior activity

In 1986, one-half of all patrons at higher-check upscale Italian restaurants were at home prior to dining out

	Percent of occasions		
		Upscale Italian	
Prior Activity	**Midscale Italian**	**Moderate-check**	**Higher-check**
Home	39%	44%	51%
Work	28	23	17
Shopping	10	6	3
Entertainment/ recreation	8	9	9
Vacation	3	7	5
Business/ travel	2	4	7
School	1	*	*
Other/not reported	8	7	8

* *Less than 1 percent*
Note: Totals may not add to 100 percent due to rounding.
Source: CREST Enterprises, *Annual Household Report*, 1986



Where pasta is eaten

Restaurants specializing in Italian cuisine captured 45 percent of all orders for pasta in 1986

	Proportion of total orders for pasta
Quickservice	**26%**
Pizza	20
Varied menu	2
Midscale	**44%**
Italian	13
Varied menu	14
Upscale	**31%**
Italian	12
Varied menu	11

Source: CREST Enterprises, *Annual Household Report*, 1986

Who eats at Italian restaurants

CREST data reveal that the typical party at Italian restaurants is composed primarily of adults. In 1986, 97 percent of all eater occasions at higher-check Italian restaurants involved parties without children.

At midscale and moderate-check upscale restaurants, parties of adults only accounted for at least 10 percent of all occasions. These adults are likely to be young, single and affluent.

According to the National Restaurant Association study *Consumer Preferences for Ethnic Foods in Restaurants*, 94 percent of the consumers surveyed said that they had tried Italian food when dining out. Those consumers who said they are likely eaters of Italian food included: frequent restaurant patrons, 18 to 35-year-olds, singles, those with household incomes of $25,000 or more, men and consumers from households with children under 12 years of age. At least four of 10 respondents from each of these groups said they eat Italian food at least once a month when they eat out.

Another association study, *Consumer Preferences for New Restaurant Concepts*, provides further information on the demographic characteristics of those who enjoy Italian cuisine. Forty-six percent of the adults surveyed in the spring of 1986 said they had patronized a restaurant that specializes in pasta at least once during the first three months of the year, up a dramatic 11 percentage points over the prior year. Consumers most likely to have visited a pasta specialty restaurant include college graduates (59 percent), 18 to 34-year-olds (55 percent), those with household incomes of $30,000 or more (55 percent) and residents of the East (52 percent).

This study also reveals that the pasta restaurant market has room to grow. Of those respondents who had not patronized an establishment that specializes in pasta in the early months of 1986, 27 percent expressed a willingness to do so. The demographic groups that showed the greatest interest in trying a pasta specialty restaurant were 18 to 24-year-olds (52 percent), working women (32 percent) and those with at least a high school diploma (31 percent). Operators may consider aiming some of their marketing efforts toward these groups in order to expand their customer base.

Consumers eat Italian cuisine on the weekend

As is true for the majority of restaurateurs, Italian restaurant operators see most of their patrons on the weekends. Approximately 44 percent of all eater occasions at midscale and upscale Italian restaurants occur on Fridays and Saturdays (about 22 percent each day). Sundays are the next busiest day for dining at midscale and moderate-check upscale Italian places while Thursdays rank third at higher-check upscale Italian restaurants. Customer traffic is smallest on Mondays for all types of Italian dining establishments.

Because consumers visit Italian restaurants more frequently on weekends than on weekdays, it is not surprising that the majority of them report being at home prior to dining out. One-half of all higher-check upscale Italian restaurant patrons were at home before going out to eat in 1986 as were 44 and 39 percent of moderate-check upscale and midscale Italian restaurant customers, respectively. These figures surpass the 33 percent level registered for the industry overall in 1986.

Work was the second most common activity before dining out for patrons of all three types of Italian restaurants. Shopping was also mentioned by a notable proportion of midscale patrons—10 percent, and entertainment/recreation was reported by 8 percent of moderate-check upscale Italian restaurant patrons and 9 percent of higher-check upscale Italian restaurant patrons.

Pasta's popularity extends beyond segment

Although Italian restaurants capture the largest proportion of total pasta orders, pasta's popularity extends beyond the Italian segment. In fact, CREST data reveal that just one fourth of all orders for pasta were placed at midscale and upscale Italian restaurants last year. Even if quickservice pizza places are included, establishments that specialize in Italian cuisine still account for less than one-half of total pasta orders. Varied menu restaurants captured the second largest share in 1986—27 percent.

Because of its growing popularity, pasta eating has not been confined to Italian restaurants. Total orders for pasta rose 3.9 percent between 1982 and 1986, with upscale restaurants accounting for the largest share of that increase. Pasta orders at upscale Italian places rose 13 percent over the five-year period. Other segments contributing to the increase include upscale varied menu restaurants, fish/seafood restaurants, and other specialty and hotel restaurants. Pasta's versatility, relatively low cost and healthful image makes it attractive to restaurateurs looking to add variety to their menus.

—Kate Conroy

The foodservice industry 1985: A brief review

For the 18th consecutive year, the National Restaurant Association has prepared information on the size and scope of the foodservice industry, including sales and purchases for major markets, number of establishments and alcoholic beverage sales. The figures and analyses reported here provide a summary of the foodservice industry's performance during 1985. To obtain more detailed information on foodservice in 1985, see the accompanying box which tells how to order a free copy of the complete report.*

In a year marked by modest economic growth, the foodservice industry experienced a 5.9 percent increase in **food and beverage sales**. With sales reaching $174.8 billion in 1985, industry growth continued on its upward trend but at a slower pace than in 1984. Real growth (adjusted for inflation) was 2.2 percent, significantly less than the 4.0 percent recorded in 1984, and less than the 2.7 percent real growth in the gross national product (GNP). 1985 was the fifth consecutive year of real growth for the foodservice industry.

The proportion of the food dollar spent away from home rose to another record level in 1985, topping the mark reached in 1984. In 1985, consumers spent 40.8 percent of their food dollar on meals and snacks prepared outside the home—up from 40.5 percent in 1984.

Menu prices, based on the Consumer Price Index (CPI) for food away from home, rose less in 1985 than in 1984 as lower inflation in the economy kept a lid on price increases. Menu prices advanced 4.0 percent in 1985, compared to a slightly higher 4.2 percent in 1984.

Customer traffic at restaurants advanced only 1.0 percent in 1985, compared to 4.0 percent in 1984. Traffic was strongest during the summer and winter quarters, rising 4.0 and 1.1 percent, respectively. Customer counts declined 1.1 percent in the spring quarter and 0.2 percent in the fall months.

In the **Commercial Foodservice Group**, food and drink sales reached $152.9 billion, a 6.7 percent increase from the year before. The Commercial Group accounted for 98.9 percent of total real growth in 1985. Real sales for this segment rose 2.6 percent.

Eating place sales, accounting for 63.9 percent of

*** The statistical information and analyses for the National Restaurant Association's study on the size and scope of the foodservice industry in 1985 were prepared in consultation with the research firm of Malcolm M. Knapp, Inc.**

total foodservice sales, jumped to $111.6 billion in 1985. Although sales at eating places rose 6.8 percent in 1985, this was well below the 9.7 percent gain recorded in 1984. Real growth in 1985 was 2.7 percent, half that gained in 1984.

A sales gain of 7.9 percent at **limited menu (fast food) restaurants** led the eating place segment in 1985, even though the increase was less than the 10.7 percent registered in 1984. With sales at $47.2 billion in 1985, limited menu operations accounted for 27.0 percent of total industry sales, almost double the share in 1970.

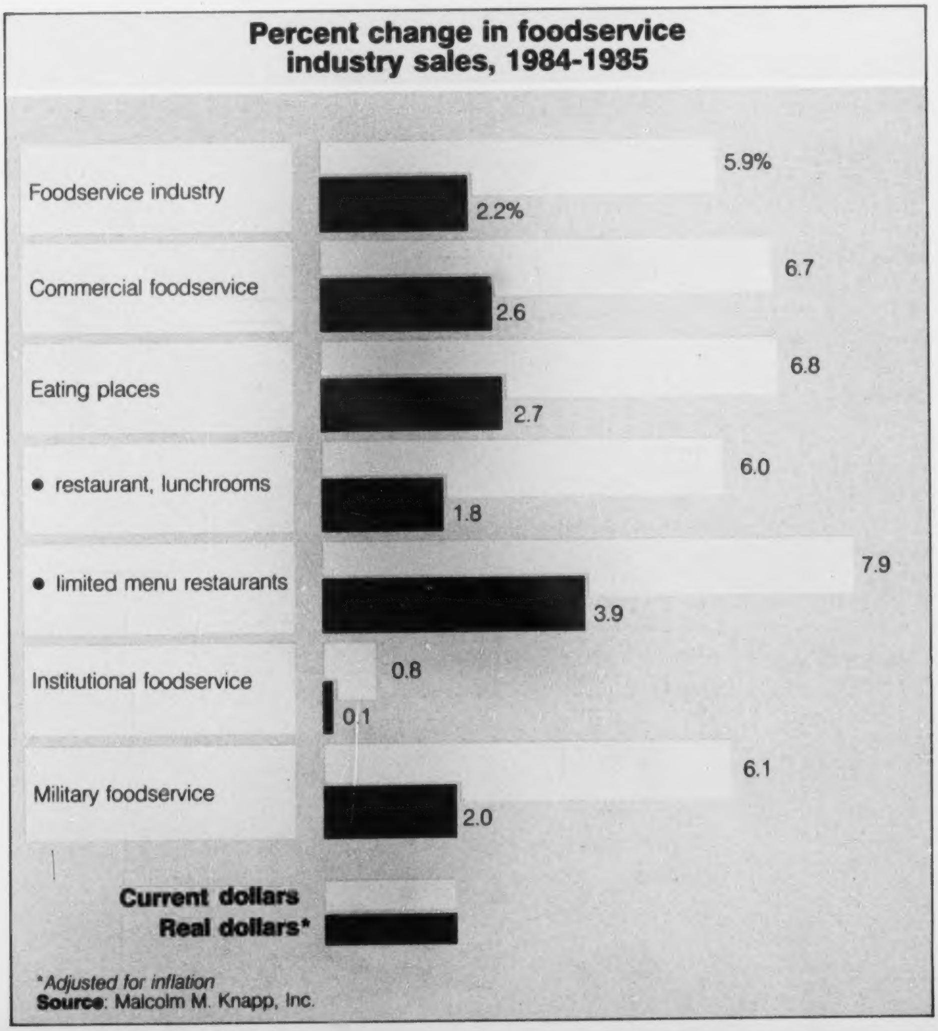
Restaurants and lunchrooms captured food and drink sales of $58.4 billion in 1985, a 6.0 percent gain. The increase was less than the 9.1 percent recorded in 1984. Lackluster growth in personal income during the year contributed to the decreased rate as some consumers traded down in order to preserve their frequency of eating out. Inflation-adjusted sales rose only 1.8 percent, well below the 4.7 percent gain posted in 1984.

Grocery store foodservice, which includes convenience stores, once again recorded the greatest sales gain in the industry. The 26.1 percent increase in 1985 was due, in part, to the growth of foodservice in convenience stores and the popularity of takeout products at supermarkets. The growth of convenience stores within gasoline service stations helped advance food and drink sales for this segment by 23.2 percent.

Other segments that recorded impressive sales gains include foodservice contractors at commercial and office buildings, foodservice operations on passenger liners and railroads, hotel restaurants and miscellaneous foodservice retailers.

Sales for the **Institutional Foodservice Group** edged up to $21.0 billion in 1985, a small 0.8 percent gain. Real growth in sales was just 0.1 percent, but this presented an improvement over the 1.1 percent drop recorded in 1984.

Food and drink sales for the **Military Foodservice Group** rose 6.1 percent in 1985 to $877 million as the number of U.S.-based active duty troops increased.



Percent change in foodservice industry sales, 1984-1985

*Adjusted for inflation
Source: Malcolm M. Knapp, Inc.

To order the complete report

For a copy of the detailed report, *The Foodservice Industry: 1985 in Review*, simply complete the insert card in this issue (between pp. 40 and 41) and return it to the Research Department, National Restaurant Association, 311 First St., N.W., Washington, DC 20001. This report is free to association members. Nonmembers must include a $10 check or money order with their order card.

The National Restaurant Association's detailed report contains extensive data on the foodservice industry in 1985, including an analysis of all sectors of the eating place market as well as lodging places, educational foodservice, employee foodservice, health care foodservice, recreation foodservice and military foodservice.

For historical industry data, the National Restaurant Association's *Foodservice Numbers: A Statistical Digest for the Foodservice Industry* (catalog number CS025) is available for purchase. This publication includes sales, purchases and number of units for more than 50 separate sectors of foodservice from 1970 through 1984.

Estimated food and drink sales and purchases, 1985

# of Units	Type of establishment	Estimated food and drink sales (000) 1984	Estimated food and drink sales (000) 1985	Percent gain (loss)	Estimated food and drink purchases (000) 1985
	Group I: Commercial Foodservice[1]				
	Eating places				
125,688[2]	Restaurants, lunchrooms	$ 55,111,582	$ 58,444,122	6.0%	$20,192,678
121,645	Limited menu restaurants	43,719,215	47,190,521	7.9	15,394,680
6,096	Commercial cafeterias	3,165,807	3,286,108	3.8	1,162,233
3,592	Social caterers	1,240,801	1,301,600	4.9	463,467
8,207	Ice cream, frozen custard stands	1,283,449	1,375,857	7.2	400,374
265,228	**Total—Eating places**	**$104,520,854**	**$111,598,208**	**6.8%**	**$37,613,432**
32,308[3]	Bars and taverns	$ 8,254,928	$ 8,428,281	2.1%	$402,450[4]
297,536	**Total—Eating and drinking places**	**$112,775,782**	**$120,026,489**[5]	**6.4%**	**$38,015,882**
	Food contractors				
	Manufacturing and industrial plants	$ 2,616,415	$ 2,721,072	4.0%	$ 1,155,017
	Commercial and office buildings	825,007	894,308	8.4	380,534
	Hospitals and nursing homes	1,105,892	1,184,410	7.1	447,665
	Colleges and universities	1,612,363	1,738,127	7.8	556,861
	Primary and secondary schools	833,066	886,382	6.4	325,764
	In-transit foodservice (airlines)	672,431	716,139	6.5	343,704[6]
	Recreation and sports centers	1,241,555	1,319,773	6.3	432,543
9,026[7]	**Total—Food contractors**	**$ 8,906,729**	**$ 9,460,211**	**6.2%**	**$ 3,642,088**
	Lodging places				
15,366	Hotel restaurants	$ 8,109,689	$ 8,748,054	7.9%	$ 2,679,570
1,786	Motor hotel restaurants	726,193	741,443	2.1	228,780
9,031	Motel restaurants	1,190,279	1,209,023	1.6	382,157
26,183	**Total—Lodging places**	**$ 10,026,161**	**$ 10,698,520**	**6.7%**	**$ 3,290,507**
	Retail hosts				
10,468	Drug and proprietary store restaurants	$ 428,939	$ 437,947	2.1%	$ 155,033
1,562	General merchandise store restaurants	62,942	65,334	3.8	22,867
4,932	Department store restaurants	1,060,388	1,051,905	(0.8)	372,374
3,651	Variety store restaurants	236,488	232,704	(1.6)	82,377
4,155	Food stores (except grocery)	179,968	186,087	3.4	58,431
40,998	Grocery store foodservice	1,954,774	2,465,722	26.1	813,688
29,925	Gasoline service station foodservice	1,047,788	1,290,875	23.2	425,989
8,525	Misc. retail (liquor, cigar, etc.[8])	423,242	465,062	9.9	151,145
104,216	**Total—Retail hosts**	**$ 5,394,529**	**$ 6,195,636**	**14.8%**	**$ 2,081,904**
	Recreation and sports foodservice				
2,785	Drive-in movies	$ 244,870	$ 227,974	(6.9)%	$ 66,406
3,857	Bowling lanes	702,481	713,018	1.5	241,766
N/A	Recreation and sports centers	958,610	1,016,126	6.0	332,971
6,642	**Total—Recreation and sports foodservice**	**$ 1,905,961**	**$ 1,957,118**	**2.7%**	**$ 641,143**
	All other foodservice				
3,088	Vending and non-store retailers[9]	$ 3,667,828	$ 3,898,901	6.3%	$ 1,185,765
N/A	Mobile caterers	588,430	627,266	6.6	196,726
3,088	**Total—All other foodservice**	**$ 4,256,258**	**$ 4,526,167**	**6.3%**	**$ 1,382,491**
446,691	**Total—Group I**	**$143,265,420**	**$152,864,141**	**6.7%**	**$49,054,015**

Footnotes

1. Data are given only for establishments with payroll.
2. Figures are latest census area reports or merchandise line detail counts or updates when reliable data become available.
3. Unit count includes only those establishments serving food; however, sales figure is for all bars and taverns with payroll.
4. Food only. Cost of alcoholic beverages totaled $2,581,161,000.
5. Food and drink sales for nonpayroll establishments totaled $3,379,180,000, with eating places accounting for $2,409,950,000 and drinking places, $969,230,000.
6. Food purchase only.
7. Individual businesses, not locations. Contract feeders are included in eating place totals in all Bureau of Census publications although their sales volume figures are significantly understated.
8. Includes SIC 59 except 591 and 596.
9. Includes sales of hot foods, sandwiches, pastries, coffee and other hot beverages.
10. School lunch commodities furnished in the calendar year 1985 under Secs. 6, 32 and 416 were worth $819,369,939. In addition, 165,123,268 half-pints of milk worth $15,799,919 were supplied.
11. Total number of colleges and universities which have foodservice whether contracted or not.
12. Represents sales or commercial equivalent to employees.
13. Sales (commercial equivalent) calculated for nursing homes and homes for aged only. All others in the grouping make no charge for food served.
14. All 50 states plus the District of Columbia.

*** These institutions make no charge for food served.

Estimated food and drink sales and purchases, 1985

# of Units	Type of establishment	Estimated food and drink sales (000)		Percent gain (loss)	Estimated food and drink purchases (000)
		1984	1985		1985
	Group II: Institutional Foodservice—Business, educational, government or institutional organization which operate their own foodservice.				
	Employee foodservice				
3,646	Industrial and commercial organizations	$ 1,629,849	$ 1,682,004	3.2%	$ 742,174
403	Sea-going ships (1,000+ tons)	43,604	40,857	(6.3)	24,514
4,248	Inland waterway vessels	230,576	247,869	7.5	148,721
8,297	**Total—Employee foodservice**	**$ 1,904,029**	**$ 1,970,730**	**3.5%**	**$ 915,409**
	Educational foodservice				
91,453	Public and parochial elementary and secondary schools (89,857 national school lunch program[10])	$ 2,780,429	$ 2,918,628	5.0%	$ 2,994,756
1,014	Public colleges and universities[11]	2,047,220	2,096,353	2.4	842,302
1,636	Private colleges and universities[11]	921,747	963,226	4.5	442,433
94,103	**Total—Educational foodservice**	**$ 5,749,396**	**$ 5,978,207**	**4.0%**	**$ 4,279,491**
	Transportation foodservice				
56	Passenger/cargo liners	$ 172,769	$ 189,528	9.7%	$ 104,240
106	Airlines	624,783	657,856	5.3	327,665
2	Railroads	41,087	46,044	12.1	20,833
164	**Total—Transportation foodservice**	**$ 838,639**	**$ 893,428**	**6.5%**	**$ 452,738**
	Hospital foodservice				
4,154	Voluntary and proprietary hospitals	$ 5,357,862	$ 5,124,485	(4.4)%	$ 2,049,794
1,578	State and local short-term hospitals[12]	788,491	746,008	(5.4)	496,098
745	Long-term, general, TB and psychiatric hospitals	854,800	839,248	(1.8)	335,699
343	Federal hospitals[12]	390,173	394,652	1.1	306,251
6,820	**Total—Hospital foodservice**	**$ 7,391,326**	**$ 7,104,393**	**(3.9)%**	**$ 3,187,842**
29,169	Nursing homes, homes for the aged, blind, orphans and mentally and physically handicapped[13]	$ 2,986,657	$ 3,001,608	0.5%	$ 1,844,068
	Miscellaneous foodservice				
10,310	Clubs	$ 1,466,520	$ 1,536,913	4.8%	$ 621,846
2,806	Sports and recreation camps	123,698	122,830	(0.7)	73,698
15,210	Community centers	400,798	417,231	4.1	492,324
N/A	Convents and seminaries	***	***	***	95,280
28,326	**Total—Miscellaneous foodservice**	**$ 1,991,016**	**$ 2,076,974**	**4.3%**	**$ 1,283,148**
	Penal institutions				
791	Federal and state prisons	***	***	***	$ 427,189
3,338	Jails	***	***	***	327,783
4,129	**Total—Penal institutions**	***	***	***	**$ 754,972**
171,008	**Total—Group II**	**$ 20,861,063**	**$ 21,025,340**	**0.8%**	**$12,717,668**
617,699	**Total—Groups I and II**	**$164,126,483**	**$173,889,481**	**5.9%**	**$61,771,683**
	Food furnished to foodservice employees in Groups I and II	***	***	***	$ 4,102,006
617,699	**Total—Groups I, II, and FSE**	**$164,126,483**	**$173,889,481**	**5.9%**	**$65,873,689**
	Group III: Military Foodservice				
N/A	Defense personnel	***	***	***	$ 1,936,148
700	Officers' and NCO clubs ("open mess")[14]	$ 546,242	$ 579,563	6.1%	$ 199,994
556	Military exchange foodservice	280,315	297,694	6.2	113,868
1,256	**Total—Group III**	**$ 826,557**	**$ 877,257**	**6.1%**	**$ 2,250,010**
618,955	**GRAND TOTAL**	**$164,953,040**	**$174,766,738**	**5.9%**	**$68,123,699**

Source: Malcolm M. Knapp, Inc.

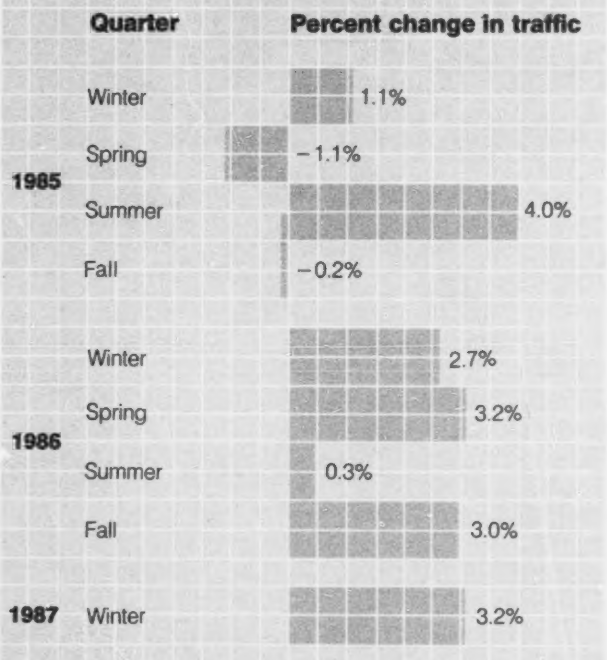
December-January-February

CREST Report

Percent change in quarterly traffic

Winter 1985–Winter 1987

Customer traffic was up 3.2 percent during the winter quarter of this year



Note: Percent change is over same period of the prior year.
Source: CREST Enterprises, *Household Report*, Winter, 1985—Winter, 1987

Moderate growth continued in the restaurant industry during the winter quarter of 1987. Customer traffic was up 3.2 percent over the same period in 1986, and sales rose 5.5 percent. The industry's overall performance mirrored that registered in the final quarter of last year, when traffic and sales increased 3.0 and 5.4 percent, respectively. Growth continues to be concentrated within the quickservice segment, and dinner was again the strongest performer among the three meal periods. However, breakfast, which was sluggish for much of last year, staged a modest comeback.

Industry summary

☐ **Customer counts** at the nation's restaurants were up 3.2 percent during the 1987 winter quarter. Off-premises traffic increased at a faster pace than on-premises traffic—4.4 versus 2.3 percent, respectively. Breakfast traffic was up 3.9 percent—the first gain since the fall of 1985. The midday meal posted a 2.6 percent rise in customer counts and dinner registered a healthy 5.2 percent increase.

☐ **Sales** were up 5.5 percent in the winter quarter of this year. The evening meal period posted the largest sales gain—6.3 percent. Lunch sales rose 4.6 percent, and sales at breakfast increased 4.4 percent.

☐ **Penetration**, which is a measure of the proportion of U.S. households in which at least one member ate out at least once in an average two-week period, was unchanged during the winter quarter when compared to the same period in 1986. However, the total **number of households reached** increased by 2.0 percent.

☐ **Average check size** was $3.57 in the 1987 winter quarter, up 2.0 percent over its level of $3.50 during the same period in 1986. The average check size for all snacks rose a substantial 7.3 percent, and it inched up slightly at the other three meal periods. Average check size was up 1.9 percent at lunch and rose 0.9 percent at both breakfast and dinner.

☐ **Promotions*** were used on 18.8 percent of all occasions during the 1987 winter quarter. Consumers used coupons more frequently than other types of deals, and parties of adults with children were more likely to use promotions than were parties of adults only. Promotions were most popular at dinner; they were used on 23.9 percent of all occasions. Patrons used promotions on 18.5 percent of all lunch occasions and on 14.0 percent of breakfast occasions.

Quickservice restaurants

☐ **Customer traffic** at quickservice restaurants rose 4.7 percent during the 1987 winter quarter, about the same gain this segment posted a year earlier. Retail quickservice establishments registered a dramatic 26 percent increase in customer counts, and traffic was up more than 15 percent at quickservice barbecue places. The pizza category continued to grow, with customer counts up 10 percent in the 1987 winter quarter. Donut, Asian and varied menu quickservice places were the only categories to register declines in customer traffic.

☐ **On-premises traffic** rose 4.9 percent at quickservice restaurants, while **off-premises** customer counts increased 4.5 percent.

☐ **Sales** in the quickservice segment increased 8.1 percent in the winter quarter of this year due, in part, to the rise in customer traffic.

☐ **Penetration** edged down 0.2 percent, while the **number of households reached** moved up 1.8 percent.

☐ **Average check size** stood at $2.57 during the 1987 winter quarter, up from $2.49 during the same period in 1986.

☐ **Promotions*** were used on 21.8 percent of all quickservice occasions. Parties with children used promotions more frequently than parties of adults only.

Midscale restaurants

☐ **Customer traffic** at midscale restaurants inched up 0.2 percent during the 1987 winter quarter. Midscale retail establishments, hotels and barbecue specialty restaurants suffered steep declines in customer counts. Despite the weakness in this segment,

Winter quarter performance by segments and meal periods

Quickservice restaurants registered the largest increase in customer traffic across the segments and dinner posted the strongest performance among the three meal periods

	Percent change in . . .		
	Traffic	**Sales**	**Average check size**
Total restaurants	**3.2%**	**5.5%**	**2.0%**
Quickservice	4.7%	8.1%	3.2%
Midscale	0.2%	1.6%	1.4%
Upscale	0.7%	5.5%	4.7%
Moderate-check	1.0%	4.7%	3.5%
Higher-check	−0.3%	6.6%	6.9%
Breakfast	3.9%	4.4%	0.9%
Lunch	2.6%	4.6%	1.9%
Dinner	5.2%	6.3%	0.9%

Note: Percent change is over same period of the prior year.
Source: CREST Enterprises, *Household Report*, Winter, 1987

some types of restaurants registered healthy gains in customer traffic during the winter months. Traffic was up a whopping 27 percent at midscale sandwich places, customer counts rose more than 16 percent at midscale Italian restaurants, and family steakhouses posted a 9 percent increase.

☐ Both **on and off-premises** traffic increased 0.2 percent at midscale establishments in the 1987 winter quarter.

☐ **Sales** at midscale restaurants increased a slight 1.6 percent in the 1987 winter quarter, following a 2.3 percent rise in the previous quarter.

☐ **Penetration** fell 0.5 percent within the midscale segment, while the **number of households reached** grew by 1.4 percent.

☐ The **average check size** for midscale restaurants rose 1.4 percent to $4.22.

☐ Consumers used **promotions*** on 13.5 percent of all occasions at midscale restaurants. Adults accompanied by children were more likely to use promotions at midscale restaurants than groups of adults only.

Upscale restaurants

☐ **Customer traffic** at upscale restaurants during the winter quarter of this year was up a slight 0.7 percent over the same period in 1986. Moderate-check upscale restaurants posted a 1.0 percent increase in traffic due largely to increases of 25 percent or more in customer counts at fern bar and upscale burger restaurants. Most higher-check upscale restaurants registered very healthy increases in customer traffic; however, a 10.2 percent drop in traffic at upscale hotels offset gains. Overall, customer traffic declined by 0.3 percent within the higher-check upscale category.

☐ **On-premises** customer counts edged down 0.4 percent in the 1987 winter quarter. In contrast, traffic for **off-premises** dining rose 20.1 percent. However, the vast majority of upscale restaurant occasions continue to occur on-premises.

☐ **Sales** at upscale restaurants advanced 5.5 percent. Sales increased at a faster pace at higher-check upscale restaurants than at their moderate-check counterparts—6.6 versus 4.7 percent, respectively.

☐ **Penetration** fell by 0.5 percent at moderate-check upscale restaurants, but rose 1.1 percent at higher-check places. The **number of households reached** increased for both moderate and higher-check upscale categories, 1.4 and 3.1 percent, respectively.

☐ The **average check size** at moderate-check upscale restaurants was $7.35 in the 1987 winter quarter, up from its 1986 level of $7.10. At higher-check upscale restaurants, the average check size was $14.64, compared to $13.70 during the 1986 winter quarter.

☐ **Promotions*** were used on 13.3 percent of all moderate-check upscale occasions and on 12.7 percent of all higher-check upscale occasions. Restaurant specials are the most frequently used type of promotion at both types of establishments.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.

Approximately 10,000 families and 2,800 nonfamily households representing demographic patterns in the United States have been selected to participate in the study. Each household is asked to record every meal and snack experience during a particular two-week period for each of the four quarters of the year. Detailed entries are required for meals eaten or purchased away from home in establishments such as restaurants, hotels and motels, fast food/drive-in places, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, colleges or other institutional feeding places.

CREST information can help restaurateurs compare their operation's performance with that of the total industry as well as with specific restaurant categories (quickservice, midscale or upscale restaurants).

The CREST study can also provide valuable information concerning customer behavior, such as how much people spend. And, because it is an ongoing study, CREST information allows comparison against a standard—an aid in the development of trend analysis.

Readers wishing more information on the CREST study should contact CREST Enterprises, one of the NPD group of marketing and research companies, 1300 W. Higgins Road, Park Ridge, IL 60068-5798.

** CREST has changed the way it collects information on consumers' use of promotions. The new format prompts consumers with a wider variety of promotional choices. It also allows for multiple responses to account for the use of more than one promotion on a single occasion. Consequently, 1987 winter quarter data are not strictly comparable with that of prior quarters.*

Salad, side order highlights

Although Americans are eating more vegetables than ever before, CREST data suggest that most of the increase is at home, not in restaurants. This article highlights the changes in salad and side orders from 1982 to 1986.

Percent change in restaurant orders for vegetables and side dishes (1982 versus 1986*)

The popularity of main-dish salads far surpasses that of side-dish salads

	Main-dish salads	Side-dish salads	Potatoes	Hot vegetables[1]
Total restaurants	10.2%	−10.6%	3.8%	5.5%
Quickservice restaurants	28.5	9.3	10.1	59.0
Midscale restaurants	8.6	−20.4	−8.3	−4.8
Upscale restaurants	−0.6	−1.9	3.6	6.7

Percent of restaurant eater occasions on which vegetables and side dishes were eaten

On average, the number of occasions on which vegetables and side dishes were ordered remained stable or dropped slightly

	Main-dish salads		Side-dish salads		Potatoes		Hot vegetables[1]	
	82	86	82	86	82	86	82	86
Total restaurants	2.7%	2.7%	9.0%	7.3%	34.5%	32.5%	4.7%	4.5%
Quickservice restaurants	1.3	1.4	2.4	2.2	33.9	31.3	0.9	1.2
Midscale restaurants	4.6	5.4	16.5	14.2	34.8	34.5	10.4	10.7
Upscale restaurants	6.0	5.5	31.4	28.4	38.3	36.6	12.6	12.4

[1] Excluding potatoes, rice and onion rings

**CREST has changed its procedures for processing some of the diary information it collects. A new "casual dining" segment has been added to the upscale segment. Included in this category is information for many eateries which were previously classified as midscale specialty or family-style restaurants. These changes affect the comparability of annual data, particularly that for midscale and upscale establishments.*

Source: GDR/CREST Enterprises, *Annual Household Report*, 1982-86

Main-dish salad highlights

☐ Between 1982 and 1986, orders for main-dish salads increased 10 percent. However, the percent of occasions on which they were ordered remained unchanged.

☐ **Quickservice.** There were fewer main-dish salad bar orders in 1986 than in 1982 as prepackaged salads came into vogue.

☐ **Midscale.** Due to repositioning efforts, there was an 80 percent increase in main-dish salad orders at family steakhouses between 1982 and 1986.

☐ **Upscale.** A shift in the mix of salad bar orders and served salad orders has taken place. In 1982, salad bar orders accounted for 57 percent of all main-dish salad orders; by 1986 this proportion had dropped to 42 percent.

Side-order highlights

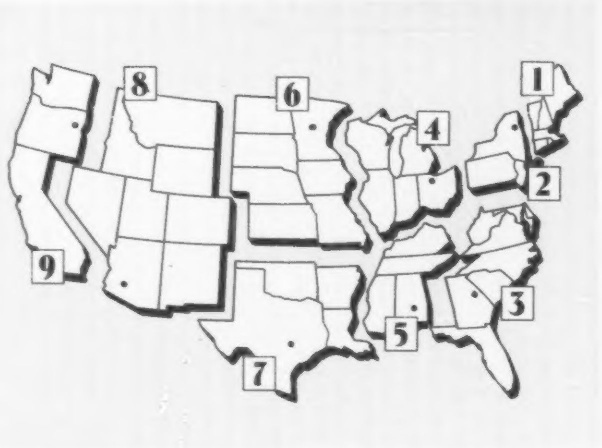
☐ **Side-dish salad** orders fell by nearly 11 percent between 1982 and 1986. Although side salad orders rose 9 percent at quickservice operations, declines occurred at both midscale and upscale restaurants—20.4 percent and 1.9 percent, respectively.

☐ **Potatoes** continue to be the most frequently ordered side dish—ordered on more than 32 percent of restaurant occasions—but their growth has been limited. Between 1982 and 1986, overall potato orders advanced less than 4 percent, and the percent of occasions on which they were ordered dropped slightly. Although french fries are the leading potato seller at quickservice restaurants, the greatest growth was experienced by baked, stuffed and mashed potatoes—up 32 percent over the five-year period.

☐ **Rice** orders rose at all restaurants and within each segment between 1982 and 1986. Orders for rice increased more than 100 percent at quickservice restaurants and 47 percent overall.

☐ **Hot vegetable orders** increased 5.5 percent between 1982 and 1986 (excluding potatoes, rice and onion rings). The most dramatic increase in vegetable orders occurred at quickservice restaurants—up 59 percent. Gains of 22 percent and 33 percent, respectively, at midscale and upscale specialty restaurants were tempered by declines at midscale and upscale varied menu establishments (13 percent for midscale and 16 percent for upscale), affecting hot vegetable orders in the aggregate.

—Laurence Greenberg



1 NEW ENGLAND

Location: Methuen, MA
Association members: Donald, Peter and Paul Shaheen
Operation: Red Tavern
Profile: Steakhouse housed in elegant lodge
In business: 40 years
Seats: 400
Meals served: Lunch, dinner

"Our restaurant is perfect for family gatherings and special functions," says **Margaret Shaheen** of the Red Tavern, "so our spring business has been very good. But summer in our area is slower, in general, because so many people head to the beaches."

Red Tavern is located on the old Searles estate, 25 miles north of Boston, near the New Hampshire border. The 400-seat steakhouse is housed in a turn-of-the-century hunting lodge/guest house that began to operate as an inn around 1910. The dining facilities are divided into several small rooms, six of which have fireplaces.

The restaurant's interior is impressive, with heavy mahogany woodwork imported entirely from England and a 600-bottle wine cellar that is visible from the front lobby. An additional attraction is the open-hearth dining room, where guests can watch their steaks, fillets and prime ribs being prepared in front of them.

One of Shaheen's main concerns, which she says is shared by most local operators, is New England's labor shortage. "Some local restaurants have closed for lunch," she says, "and it's not because the business isn't there."

2 MID ATLANTIC

Location: Ticonderoga, NY
Association member: Robert L. Hill
Operation: Streetroad's Olde Schoolhouse
Profile: Family-style restaurant
In business: 10 years
Seats: 200
Meals served: Lunch, dinner

"Our season is just moving into full swing," says **Robert Hill**, owner of the Olde Schoolhouse, a family-style restaurant housed in an abandoned single-classroom elementary school. The eatery, located in the tiny Adirondack hamlet of Streetroad, draws tourists from June through September.

Much of the Olde Schoolhouse's summer business comes from campers and visitors to Lake Champlain and Lake George. In addition, says Hill, a dependable year-round clientele is provided by a local branch of the International Paper Company.

The Olde Schoolhouse specializes in home-cooked meals served family-style, with large bowls of fresh vegetables and other side dishes. Roast turkey and roast beef, steaks and seafood—including shrimp, scallops, halibut and other fresh local fish—are favorites. Many of the desserts, such as strawberry shortcake, are made on site.

3 SOUTH ATLANTIC

Location: Atlanta, GA
Association member: Emile Blau
Operation: Pearls Fish Cafe
Profile: Upscale seafood restaurant
In business: 2 years
Seats: 160
Meals served: Lunch, dinner

"The last couple of months have been real strong for us," says **Emile Blau**, general manager of Pearls Fish Cafe. The two-year-old restaurant, located just north of Atlanta's downtown area, has been doing a growing convention business.

Pearls is part of a restaurant company that owns two other popular theme restaurants in Atlanta—Bone's Steakhouse and Trotter's. Pearls, the company's newest project, is a bright and brassy white tablecloth operation, with a Terazzo-tiled floor and white and blue tiled walls.

The menu at Pearls is broad, listing more than 30 items, including all types of fresh grilled fish, oysters, clams and mussels, including the cafe's crabcakes, which are flavored with provolone cheese and accompanied by a roasted red pepper sauce.

4 EAST NORTH CENTRAL

Location: Toledo, OH
Association member: Richard Wells
Operation: Red Wells Famous Roast Beef Shop
Profile: Roast beef sandwich shop
In business: 68 years
Seats: 120
Meals served: Breakfast, lunch, dinner

"Our business has been very good," says **Richard Wells,** owner of Red Wells Famous Roast Beef Shop. "In fact, although it generally stays about the same year after year, our profits have been rising slightly for the past four or five years."

Toledo's local economy, says Wells, is strong. "There are an awful lot of restaurants," he adds, "but they all seem to be doing all right." One of the oldest is Wells's cafeteria-style operation, which opened in 1919 and has been handed down to him from his grandfather and father.

The specialty of the house is undoubtedly the $1.99 roast beef sandwich. Wells estimates that he sells 300 to 400 sandwiches per day or enough to go through five, 35-pound beef rounds. Sandwiches are served on rye, wheat or white bread, and the condiment of choice, says Wells, is horseradish sauce. Side orders include mashed potatoes, baked beans, cole slaw and potato salad.

5 EAST SOUTH CENTRAL

Location: Montgomery, AL
Association member: Gerald Hamilton
Operation: Catfish Country
Profile: Fullservice seafood operation
In business: 5½ years
Seats: 180
Meals served: Lunch, dinner

"We opened in '82 and since then we've seen a growth in our business each year," says Catfish Country's **Gerald Hamilton**. His family-run, family-oriented operation has flourished, he says, by offering personal service and a menu cooked entirely from scratch.

Guests at Catfish Country can order steaks, chicken and pork chops as well as a variety of fresh seafood and shellfish. But as the restaurant's name suggests, the true house specialty is catfish, one of the country's fastest growing seafood items. Hamilton's restaurant primarily serves "squealers," "itty-bitty" two to three-ounce pond-raised catfish. "People around here used to eat mainly wild catfish, which have a stronger taste," says Hamilton, "but now they seem to prefer the pond-raised."

Hamilton's business has also received a boost in recent years from a flourishing catering operation.

6 WEST NORTH CENTRAL

Location: Brainerd, MN
Association member: Alan and Jane Gunsbury
Operation: Quarterdeck on Gull Lake
Profile: Resort restaurant
In business: 11 years
Seats: 225
Meals served: Breakfast, lunch, dinner

"We sometimes turn away as many as 200 phone reservations in one hour," says **Alan Gunsbury**, owner of the enormously popular Quarterdeck. His restaurant, which is open year-round, has been named one of the 10 best in the Snow Belt, and Gunsbury has received many business awards for his promotional work.

In fact, Gunsbury's promotional schedule is so active—more than 65 events each year—that one wonders how he finds time to operate a restaurant. Many of the Quarterdeck's promotions are geared toward promoting not the restaurant, but the local community and other local businesses. For example, the restaurant's 12-page menu is printed in a newspaper format that extolls the virtues of the surrounding area. "We try to help our neighbors, and we've found that things have a way of coming back to you," says Gunsbury.

The Quarterdeck is divided into three levels, including a crow's nest that overlooks the lake. The varied menu lists more than 100 items. Ribs, Italian entrees, fresh seafood and special diet selections are particularly popular.

7 WEST SOUTH CENTRAL

Location: Elgin, TX
Association member: Tom Winters
Operation: City Cafe
Profile: Family restaurant
In business: 76 years
Seats: 116
Meals served: Breakfast, lunch, dinner

"We're off around 20 percent from two years ago, when we were at our peak," says **Tom Winters**, owner of the City Cafe. The 116-seat family restaurant is located in a small bedroom community 20 miles east of Austin. And Austin, adds Winters, "is an overbuilt restaurant market."

There may be, however, some hope on the horizon for businesses in Elgin. Austin's airport may be moved to a location between the city and Elgin, a project that would involve nearly 10 years of construction and bring lots of business with it. "That would provide a definite boost," says Winter.

The City Cafe specializes in Tex-Mex cuisine as well as traditional American dishes, such as chicken fried steak, hamburgers, homemade stew and chili. Other favorites are the plate lunches and all-you-can-eat nightly specials, such as the Friday catfish buffet and a Sunday buffet that includes turkey and dressing, a second entree, six vegetables and a dessert for $4.95.

8 MOUNTAIN

Location: Phoenix, AZ
Association member: Richard C. Widmaier
Operation: Dick's Big Mouth Restaurant
Profile: Fast food restaurant with indoor seating
In business: 20 years
Seats: 46
Meals served: Breakfast, lunch, dinner

At Dick's Big Mouth Restaurant, it's business as usual, says owner **Dick Widmaier**. "Business has always been pretty steady throughout the year," says Widmaier, whose operation is celebrating its 20th anniversary.

Dick's offers a standard fast food menu as well as Mexican food. The house specialty is the *Big Mouth* burger, a double-decker sandwich loaded with one-half pound of meat and garnished with "the works." "I'll tell you, it takes two hands to eat one of these burgers," says Widmaier.

In addition to its self-service interior section, Dick's also has a busy drive-thru window that is responsible for nearly one-fourth of the operation's business. Widmaier, who was familiar with drive-thrus from his days with Jack-in-the-Box, designed the window into the building's original plans.

The restaurant's red, white and blue logo portrays a big-mouthed boy eating a hamburger. Where did the operation's name come from? "I was always a big mouth as a kid," says Widmaier. "I decided to take advantage of it when I named the restaurant."

9 PACIFIC

Location: Baker, OR
Association member: Bill and Judy Brown
Operation: The Brass Parrot
Profile: Fullservice restaurant
In business: 4 years
Seats: 110
Meals served: Breakfast, lunch, dinner

"One of the things that has really helped our business has been accepting reservations at lunchtime," says **Judy Brown**, owner of The Brass Parrott. "It makes it a lot easier for businesspeople on a tight schedule if they can come in and know they'll have a table."

The 110-seat restaurant is located in a historic brick building in Baker, a "high desert" town of 9,000 near Oregon's eastern border. The decor, with its brass, plants, stained glass and original tin ceiling, is rather upscale for Baker, says Brown. The eclectic interior is rounded off by antiques, etched glass and the stuffed, ceramic and brass parrots that gave the restaurant its name.

The specialty of the house is Mexican food, including the eye-catching taco salads that are served in basket-shaped deep-fried flour tortillas. Gourmet burgers are also popular as are turkey melt sandwiches, served hot on a hoagie with guacamole, Swiss cheese and hot tomatoes.

—David Slater

Qu'est ce que c'est California cuisine?

Further evidence of the rising international status of America's chefs and cuisine was recently demonstrated by an invitation issued by the French government to two California chefs. Alan Greeley, owner and chef of The Golden Truffle in Costa Mesa, California, and William Orr, first cook at the Pavillion Restaurant, Four Seasons Hotel in Newport Beach, California, were invited to host a series of food and wine lectures in France on California cuisine. The two-week tour was sponsored in part by the city of Bordeaux in hopes of improving culinary trade relationships between France and California.

CALIFORNIA

The chefs demonstrated several California-style dishes featured at The Golden Truffle, such as *Santa Barbara Abalone* and *Pacific Salmon*. They also combined West Coast cooking methods—using light sauces and crisp vegetables—with local French products. To give the French a taste of how international flavors have influenced California cuisine, the chefs prepared such appetizers as guacamole and sashimi.

Greeley, assisted by the mayor of Bordeaux, also prepared a series of California-influenced gourmet meals at the French Wine Consulate in Bordeaux.

—The Golden Truffle

Pie in the sky

Harried travelers in the market for a gift or souvenir before leaving Chicago no longer have to settle for a White Sox T-shirt or a Sears Tower paperweight from an O'Hare Airport gift shop. Instead, they can take home a genuine regional delight—a frozen Chicago pizza.

Local entrepreneur Bill Gramas and his newly formed company, Sky Pies, is supplying travelers with gift-boxed versions of the famous Chicago delicacy, guaranteed to stay frozen for up to 12 hours. He has set up his first Sky Pies concession at O'Hare Airport and will soon offer pies by direct mail. Gramas expects 1987 sales to reach $1 million. "We had one woman take a pizza all the way to Indonesia," says the entrepreneur proudly.

—Sales Marketing and Management

Welcome the Moscow cafe

Restaurants USA is now being read in Moscow, U.S.S.R., as well as in Moscow, Pennsylvania, and Moscow, Idaho. Cafe on Kropotkinskaya, believed to be the first free-enterprise eating and drinking place in the Soviet Union, has been granted a complimentary membership in the National Restaurant Association.

"We have an international membership from 40 countries," said National Restaurant Association President and Chairman of the Board Michael Grisanti, "but this is our first member in the Soviet Union. The Moscow cafe, he added, might pick up some pointers from the association's publications.

When the restaurant opened this spring, diners paid about $10 to dine on such dishes as veal and suckling pig in a setting that includes white columns, mirrors and brown velvet curtains.

—National Restaurant Association

Starting in the business early

A Gary, Indiana, teenager with an interest in catering created a unique solution to his unemployment problem: He hired himself. Kenneth Carter, 16, became a business owner at 13 when he founded TC Catering Service. His motivation behind becoming an entrepreneur: "I couldn't find anyone to hire me to work for them."

To begin his business, Carter borrowed $3,000 from his parents (he has since repaid the money). His first job, a wedding reception for 200 people, netted a $50 profit. Today, TC Catering has annual sales of about $10,000. His customers include the Gary city government, which hires him to cater large meetings.

Carter, a high school sophomore studying business, plans to attend the Culinary Institute of America in Hyde Park, New York, after graduation. Until then, he doesn't let work interfere with his studies.

During the school year, he limits his business to one or two jobs a month and hires friends on a part-time basis to help. In the summer, he works full-time with two other teenagers.

—USA TODAY

Curing the wine list jitters

The Wine School at Meadowood Resort and Country Club, located in the heart of California's Napa Valley, is trying to help those who are befuddled by wine lists. Their Executive Wine Course involves three days and two nights of wine tasting, wine and food pairings and critiques of wine lists from around the world.

"Anyone interested in food and wine can take the course," said Wine School Director John Thoreen, "but corporations and professional firms seem especially interested." The course, he adds, is designed to provide each student with a comfortable wine and food base, which should "give them some insights, some tools, some shortcuts that work right now."

The wine lists studied in the course have come from restaurants that have won awards for the excellence in their wine lists and wine cellars from *The Wine Spectator*.

—Meadowood Resort and Country Club

Answers to your legal questions before they become legal problems

Newly revised edition now available.

The Legal Problem Solver for Foodservice Operators

by Clyde L. Griffith
Revised by Richard Johnson & Robert Palmer

An easy-to-use reference tool for the hands-on operator and the corporate foodservice lawyer alike. It gives you the latest information on tip reporting, minimum wage laws, recordkeeping, tax problems and much more. The publication will help you make sense out of the jungle of federal laws and regulations affecting nearly every operational decision which you make.

MG410, three-ring binder, third revised edition 1986, **$18.50** members, **$25.00** non-members.

To order: Payment must accompany order. Be sure to include tax and handling.

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THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 7 □ NO. 7 □ AUGUST 1987

RESTAURANTS USA

UPSCALE CARRYOUT

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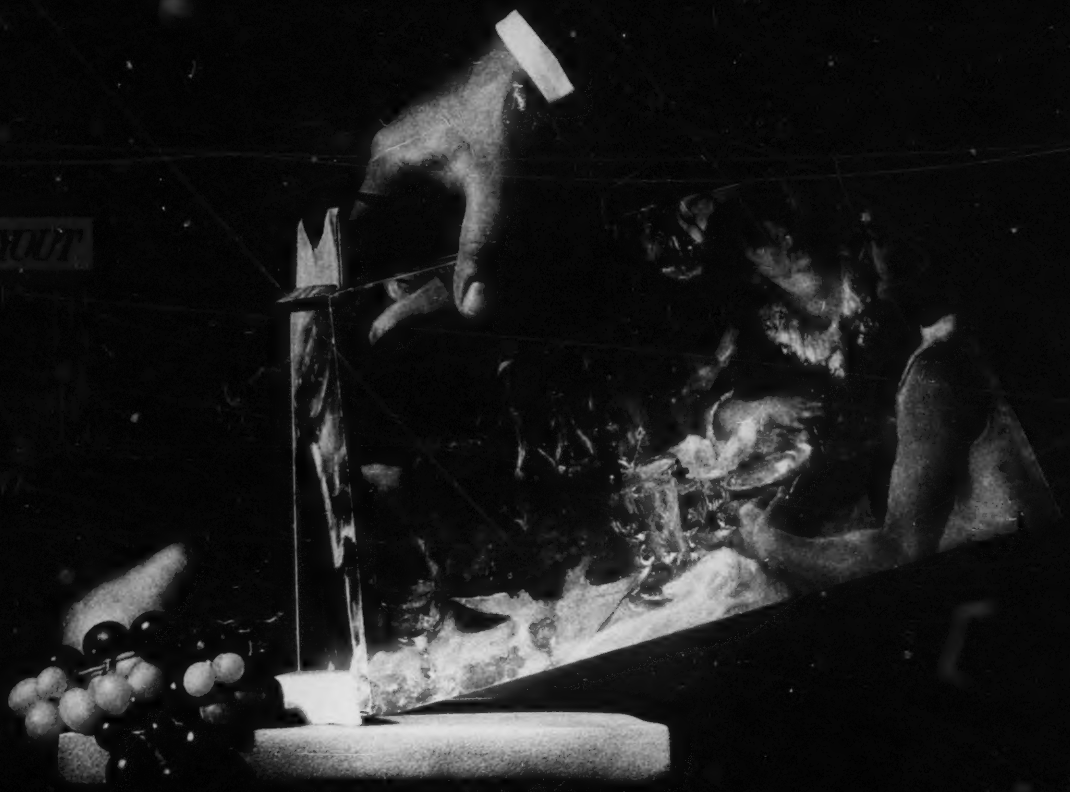
Wrapped to go



ASSOCIATIONMEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

8/13	Annapolis, MD
9/9	Mystic, CT
9/14	Baltimore, MD
9/21	Colorado Springs, CO
9/23	Albuquerque, NM

Increasing Sales: Effective Front-of-the-House Management

8/24	New Orleans, LA
8/26	Kansas City, MO
9/21	Grand Rapids, MI
9/23	Milwaukee, WI
10/12	Portland, OR

Kitchen Management

8/20	Oklahoma City, OK
8/24	Orlando, FL
9/10	Covington, KY
9/14	Eugene, OR
9/28	Columbia, SC

Tools for Training

9/9	Des Moines, IA
9/10	Rosemont, IL
9/21	Minneapolis, MN
9/22	Indianapolis, IN

Food Production Courses

Perfecting Your Culinary Skills

9/15	Atlantic City, NJ
10/19	Cromwell, CT

Simplified Baking Workshop

8/24	Portland, OR
8/26	Seattle, WA
9/16	Greenbelt, MD

Foodservice Management Courses

Banquet Management

9/15	Anaheim, CA
9/17	Burlingame, CA
10/6	Vancouver, B.C., Canada
10/19	Montreal, Quebec, Canada

Beverage Management

9/16–17	Uniondale, NY
9/30–10/1	Portland, OR
10/13–14	Denver, CO

Coping with the Personal Demands of Foodservice Management

9/14	Atlantic City, NJ

Employee Motivation

9/9	Toronto, Ontario, Canada
9/28	Annapolis, MD
9/30	Lancaster, PA
10/12	Columbus, OH
10/14	Indianapolis, IN

Food Cost Management

8/18	Trumbull, CT
9/8	Tucson, AZ
9/15	Atlantic City, NJ
10/13	Williamsburg, VA
10/14	Tysons Corner, VA

Foodservice Operators' Legal Workshop

9/8	Tucson, AZ
9/16	Wilmington, DE
10/6	Richmond, VA

Menus That Sell!

9/14	Atlantic City, NJ
9/29	Honolulu, HI
10/6	Atlanta, GA
10/19	Minneapolis, MN

Off-Premises Catering

8/11–12	Milwaukee, WI
8/25–26	Dallas, TX
9/14–15	Atlantic City, NJ
9/28–29	Toronto, Ontario, Canada
10/19–20	Dearborn, MI

Operational Analysis

9/17–18	Boston, MA
10/7–8	Las Vegas, NV

Planning and Implementing Restaurant Marketing Strategy

9/2–3	San Francisco, CA
9/22–23	Newport, RI

Planning Successful Buffets

9/1	Ft. Worth, TX
9/9	Hyannis, MA
10/5	Monterey, CA
10/6	San Francisco, CA

Profitability

9/22	Charlotte, NC
9/23	Williamsburg, VA
9/28	Orlando, FL

Real Estate and Restaurant Site Selection

8/17–18	Chicago, IL

Restaurant Design and Facilities Planning

9/30–10/1	Santa Barbara, CA

Sanitary Assessment of the Foodservice Environment (S.A.F.E.)

8/17	Pittsburgh, PA
10/5	Dallas, TX
10/20	Portsmouth, NH

Wine and the Bottom Line

8/13	Scottsdale, AZ
8/25	Bethesda, MD

NATIONAL CONFERENCES

Wine Workshop

9/12–24 Burgandy region, France

Independent Foodservice Operators' National Conference

1/24–26 Miami, FL

For more information, contact National Restaurant Association Education Foundation, 311 First St., N.W., Washington, DC 20001 (800) 424-5156 or (202) 638-6100.

If your company is interested in our in-house programs, contact Frank Doyle at the association's Washington, DC, office.

STUDY GROUP MEETINGS

Financial Officers

10/7–9 Denver, CO

Foodservice Purchasing Managers

9/10–11 Toronto, Ontario, Canada

Internal Auditors

9/15–18 Las Vegas, NV

Large Independent Operators

8/19–21 Boston, MA

Management Information Systems (MIS—formerly EDP)

10/13–16 Lake Tahoe, NV

Marketing Executives

10/18–20 Lake Tahoe, NV

Multi-unit Architects, Engineers and Construction Officers (MAECO)

9/16–18 Las Vegas, NV

Quality Assurance

10/28–30 Hilton Head, SC

Tax Executives

10/7–9 Denver, CO

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

Published by the National Restaurant Association

RESTAURANTSUSA

VOL. 7 NO. 7 AUGUST 1987

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Restaurants USA (ISSN 0890-5584) is published monthly, except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one-year subscription to ***Restaurants USA***. The non-member subscription fee is $125 per year. Second-class postage paid at Washington, DC 20001 and additional mailing offices. Copyright © National Restaurant Association 1987. Postmaster, send address change to ***Restaurants USA***, 311 First St., N.W., Washington, DC 20001.

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PRESIDENT'S REPORT

Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc.; Louisville, KY

Public Affairs Conference scheduled for September 14–16

Although Congress is in recess this month, the association staff in Washington is busier than ever. It is gearing up for the return in September not only of legislators but also of the National Restaurant Association's Public Affairs Conference, now in its third year. Make plans today to be in Washington September 14–16 for what has become the foodservice industry's major annual political happening. The Public Affairs Conference gives operators a chance to meet one-on-one with the policymakers whose decisions affect our businesses. It provides a forum for an impressive roster of speakers—lawmakers, administration officials and other Washington "insiders." And it includes, as always, the elegant National Restaurant Association "Chef d'Oeuvre" reception—an opportunity for attendees to meet socially with congressional representatives while sampling foods from Washington's finest restaurants.

I look forward to seeing you in Washington.

Association takes its minimum wage position to the public

A major topic of discussion at the conference this year will undoubtedly be the minimum wage issue. The National Restaurant Association is in the forefront in opposition to any proposed increase in the minimum wage. We've already made our position clear to Congress through House and Senate subcommittee hearings. Now we are making our position known to the public. We are currently in the midst of a media tour of major metropolitan areas, meeting with editors, writers, producers and broadcasters to tell them about the detrimental repercussions a minimum wage increase would have on our industry and the nation's economy. We are confident that our arguments, backed by facts and figures, will direct public attention to the issue and will increase public support for our position.

House says no to change in FICA taxes

Good news on the legislative front came early last month as the House Ways & Means subcommittee voted to defeat President Reagan's proposal that would increase restaurateurs' FICA liability on tip income. The association has taken the lead in opposing the plan, which the president included as part of his FY 1988 budget. The House vote defeating the proposal is a victory for our industry.

Cheaper liability insurance will be available to association members

I am pleased to announce another piece of good news. The National Restaurant Association has joined forces with affiliated organizations to form the Consortium of Licensed Beverage Retailers Association (COLBRA), a holding company for the newly formed Beverage Retailers Insurance Company (BRICO). What this means for all of us as National Restaurant Association members is that liability insurance will be made available through the new company, at rates well below the current market. An added benefit may be that other underwriters will lower their rates to compete with BRICO. The association staff is currently looking into ways the state restaurant associations may obtain insurance coverage through BRICO.

The liability insurance crisis, though abating, is still far too real for many businesses across the nation. The association's participation in COLBRA and the availability of insurance through BRICO will go a long way toward giving operators the affordable protection they need to conduct business.

Association Wine Workshop goes to France September 12–24

In other association news, all details are set for the National Restaurant Association Wine Workshop, to be held for the first time in the Burgundy Region of France. For twelve days—September 12–24—attendees will travel throughout the lush French countryside, learning about and tasting the finest wines the country has to offer. It's not too late to register; contact the association's education programs department for more information.

Look in the mail this month for the association's *Catalogue of Publications*, listing more than 100 books, magazines, newsletters and studies covering all aspects of foodservice operations. Among the newest offerings listed in the catalogue are *A Primer on How to Recruit, Hire and Retain Employees* and the latest Current Issues Report, *A Foodservice Operator's Guide to Food Assistance Programs*. Both of these publications will be made available this month through the association's publications department.

Grandparents Day is fast approaching—Sunday, September 13. This year's Grandparents Day theme is "Create a Memory," and the association has developed a poster and table tent to highlight the theme. A special edition of ***PRO-MOTION*** newsletter is chock full of Grandparents Day promotional ideas and contains an order form for obtaining promotional materials. Begin planning now for an unforgettable Grandparents Day celebration in your restaurant.

Finally, it is my pleasure to welcome 190 new members who joined the National Restaurant Association in July. Your participation in the association will benefit your business and will make the association more effective in its representation of the foodservice industry.

Sincerely,

Michael J. Grisanti
President and Chairman of the Board

RESTAURANTS USA

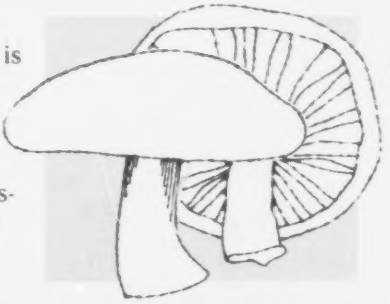
COVER STORY: UPSCALE TAKEOUT

10 Takeout has gone upscale. Propelled by consumers' unrelenting demand for convenience, upscale restaurants are making a bid for the lucrative takeout market. To differentiate their products from traditional takeout fare, operators are marketing their specialties in a variety of ways, from creatively packaged boxed meals to convenient vacuum-packaged entrees that can be quickly heated up at home.

SPECIALS

14 **Restaurateurs help feed the hungry**
Restaurateurs are answering the call of the hungry by donating food and supplies, making financial contributions and volunteering their professional services. Informative sidebars on the legal aspects of contributing and a source list of charitable organizations may give you some ideas on how you can help.

21 **Don't let your menu rob you blind**
Because a badly planned menu can cost up to $1 in profits for every meal sold, this five-point plan suggests ways for developing a profitable menu marketing strategy.

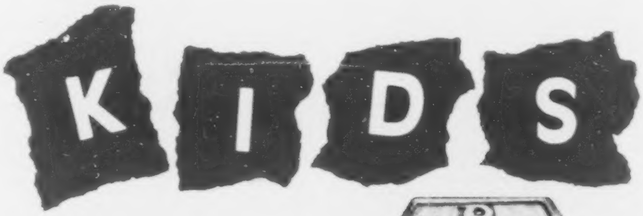


24 **The mushrooming mushroom market**
The growing variety of mushrooms available today is sparking creative new menu ideas. Don't miss the tasty recipes.

26 **Children: A growing market**
Between 1982 and 1986, the number of children visiting restaurants doubled. This *Foodservice Trends* special reviews developments in this market segment.

30 **Catering to children**
To attract more families, restaurateurs should adapt menus to children's specific needs. This article focuses on children's nutritional requirements, food preferences and the way to present foods to win over this segment.

31 **Serving the modern family: Understanding is required**
Here are some ways restaurateurs can provide a quality, stress-free dining experience for today's busy families.



32 **Children's menus**
It's no secret that keeping children entertained is a sure-fire way to ensure a pleasant dining experience for parents and kids. As the entries in this year's Great Menu Contest show, restaurateurs are developing more creative and engaging menus to hold children's attention.

Cover photograph by Gary Landsman

Artwork: The Phillips Collection, Washington, DC; The Luncheon of the Boating Party, 1881, Pierre-Auguste Renoir.

DEPARTMENTS

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- ☐ Wine "snob" books
- ☐ Restaurants participate in the Great Salt-Out
- ☐ Don't forget Grandparents Day

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- ☐ Why the minimum wage should not be raised—an indepth analysis
- ☐ Senate votes to give employees 90-day notice of plant closings
- ☐ Bill introduced to protect taxpayers' bill of rights
- ☐ Immigration enforcement policy relaxed until June 1988
- ☐ Fast food labeling bills reintroduced

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- ☐ Saving a greasy spoon
- ☐ 2,000 Whoppers® to go
- ☐ Why people fail

SHORTORDERS

Weibel vineyards introduces wine snob books

Continuing their efforts to prevent and cure wine snobbery, Weibel Vineyards has published two tongue-in-cheek booklets on the detection and prevention of wine snobbery.

THE WINE SNOB DICTIONARY
WEIB
HOW TO CHOOSE A WINE WITHOUT BEING A SNOB.
WEIBEL

The booklets, entitled "The Wine Snob Dictionary" and "How to Choose A Wine Without Being A Snob," are appearing on select Weibel wine bottlenecks across the nation. "The purpose of the humorous four-page booklets is to provide first time and veteran winebuyers with some fun while reinforcing the winery's campaign against wine snobbery," explains Fred Weibel Jr., executive vice president of Weibel Vineyards.

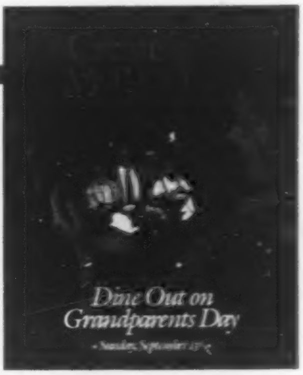
In "The Wine Snob Dictionary" Weibel provides "an indispensable guide to the jargon of wine snobbery," featuring entries such as "*Oakey* adj: 1. Wines that come from Tulsa and the surrounding region. 2. The flavor that wine picks up from the oak casks in which it is aged. Some oakeyness is good, but beware of excessive wood flavor or 'termitiness.'"

In "How to Choose a Wine Without Being a Snob," certain food and wine combinations are suggested for items such as *blackened redfish* (Chardonnay), *corn flakes* ("Blanc de Moo") and *grouse* (Cabernet Sauvignon, Pinot Noir).

For more information contact Art Larson, Leone & Leone Ltd., (714) 493-7988.

Don't forget Grandparents Day

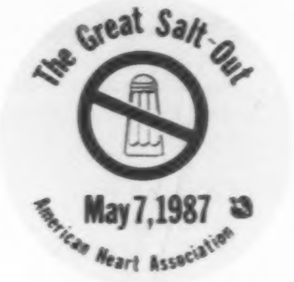
Grandparents Day—September 13—is quickly approaching. Because an association study reports that 22 percent of all American families express interest in dining out on this holiday, Grandparents Day offers a prime promotional opportunity. If you haven't already begun your Grandparents Day promotion, you may want to consider ordering the association's "Create a Memory" Grandparents Day materials. Posters and table tents can be ordered from the National Restaurant Association's Communications Department, 311 First St., N.W., Washington, DC 20001; (202) 638-6100 or (800) 424-5156.


Dine Out on Grandparents Day

Kids crank out an education

Grade school children learn about one of their favorite subjects, ice cream, in an "Ice Cream For Science" workshop sponsored by Baskin-Robbins. Homemade ice cream making and "The American Ice Cream Experience" exhibit are the highlights of a summer series of week-long, daily workshops for children at the California Museum of Science and Industry.

Restaurants participate in Great Salt-Out



The American Heart Association (AHA) is trying to get people to reduce their use of table salt. And restaurants are assisting in the effort. More than 200 restaurants and dining facilities in the Washington, DC, area removed salt shakers from their tables for AHA's Great Salt-Out last May. The foodservice establishments offered at least one salt-free, heart-healthy menu selection. At participating establishments patrons also received educational materials on high blood pressure and a sample of a herb-blend salt substitute.

The Great Salt-Out was announced by AHA at a luncheon sponsored by the J.W. Marriott Hotel in Washington, DC. The heart-healthy buffet featured sauteed lemon-oregano chicken with a bouquet of fresh vegetables; veal medallions in morel sauce; a variety of salads; angel food cake; and fresh fruit with honey yogurt dip. A Marriott chef demonstrated the preparation of the lemon-oregano chicken, an entree from Marriott's "Good For You" menu program.

AHA hopes the Great Salt-Out encourages more restaurants to offer heart healthy menu choices. For information on AHA programs in your area, contact the local AHA chapter.

House panel gives industry key victory on FICA

President Reagan's proposal to increase employers' share of FICA taxes on tips was rejected by the House Ways & Means Social Security Subcommittee in July, a key victory for the restaurant industry and the association's efforts to derail the proposed FICA tax hike.

Under current law, employers must match FICA contributions on all cash wages and any tip income used to satisfy minimum wage requirements. But any tip income above the minimum wage is not subject to employer FICA taxes. The FICA proposal would have required employers to pay Social Security (FICA) taxes on all declared tips.

The proposal was voted down by a voice vote. Rep. Hal Daub (R-NE) led the fight for the industry. Those joining him were Reps. Phil Crane (R-IL), Sam Gibbons (D-FL), Andy Jacobs (D-IN) and Jim Moody (D-WI).

The subcommittee's action was a pivotal juncture in the budget process because it indicates that the full committee is not likely to revisit the issue. However, the Senate's counterpart to the Ways & Means Committee, the Finance Committee, could address the issue when it takes up the FY 1988 budget.

The association had taken the lead in opposing the plan, and earlier this year National Restaurant Association President Michael Grisanti testified against the proposal before both House and Senate tax-writing panels. Grisanti argued that tips have never been considered wages for FICA purposes and that there is no reason to change this long-held policy.

Steve Elmont testifies before Senate labor subcommittee on mandated parental and medical leave bill. (For complete story see *Board Room* in this issue.)

Plant closings measure approved

After lengthy and heated debate, the Senate voted to include a measure requiring employers to give employees 60 days' advance notice of a business closing or mass layoff in its trade bill.

The final measure, a compromise released by Sens. Howard Metzenbaum (D-OH) and Edward Kennedy (D-MA) applies only to employers of 100 or more people.

Advance notice under the final measure would not be required unless a closing or layoff affected at least 50 full-time nonseasonal employees, comprising at least one-third of the employer's workforce. Part-timers—those who work less than 15 hours per week—and seasonal employees—those who work less than three months per year—are excluded from the bill's definition of "affected employees."

Exemptions would be available if the business were sold to a purchaser who agreed to hire all affected employees or if the employer relocated its business within a reasonable commuting distance. Mandatory advance notice requirements would also be reduced or eliminated for layoffs that "cannot reasonably be foreseen."

Although the companion House trade measure includes no language on plant closings, the House Education and Labor Committee had already approved a separate, more stringent plant closings bill (H.R. 1122) in early June. Observers predicted that the House would put H.R. 1122 on hold and deal with plant closings during the House-Senate conference on the trade bill.

Plant closings legislation is a top priority of organized labor this year but has met with serious opposition from the Reagan administration and business groups, including the National Restaurant Association.

Fast food labeling bills reintroduced

Sen. John Chafee (R-RI) and Rep. Stephen Solarz (D-NY), who sponsored last year's fast food ingredient labeling bills, have introduced similar legislation again this year: S. 1325 and H.R. 915. The National Restaurant Association opposes both, which require restaurant chains of 10 or more units to disclose ingredient information through on-package labeling or through signs, brochures or tray liners.

Chafee and Solarz contend that restaurants selling packaged foods are bound by federal ingredient labeling laws. Their legislation instructs the Health and Human Services Department to begin enforcing these laws in "fast food" restaurants.

Solarz called mandatory disclosure laws "a tremendous boon to public health" which would force restaurants to compete on the basis of the nutritional value of their foods. Solarz also cited the "large segment of the population" whose diets and allergies require a knowledge of food ingredients.

Mandatory ingredient disclosure laws would be unnecessary, costly and impractical, the National Restaurant Association maintains. The restaurant industry is one in which businesses must respond to customer demand in order to stay competitive, and many fast food chains already supply interested customers with over-the-counter ingredient information. Solarz argues, however, that chains will not promote their ingredient brochures unless forced to do so by law.

The association will maintain its strong stance against these burdensome laws. H.R. 915 and S. 1325 have received some support in Congress—29 representatives and 10 senators have signed on as cosponsors—but hearings have not been scheduled.

Bill introduced to protect taxpayers' bill of rights

Abusive, heavy-handed, callous—these are adjectives that are often used to describe foodservice operators' experiences with the IRS. IRS agents have broad enforcement powers, including the authority to seize assets without telling taxpayers, and they operate with few controls over their actions.

Sen. David Pryor (D-AR) is trying to protect taxpayers from IRS abuses. He has introduced S. 604, his so-called "Taxpayers' Bill of Rights." "The collection of taxes is a necessary function of government," Pryor said. "However, the government should never lose sight of the need to protect its citizenry from heavy-handed abuse and bureaucratic incompetence. The Omnibus Taxpayers' Bill of Rights Act will do just that."

The bill would:

☐ limit IRS authority to seize property to repay liabilities, with an emphasis on providing due process and alternatives to taxpayers

☐ limit the ability of the IRS to single out a particular group of taxpayers (such as tipped employees) for audit or investigation, particularly if the investigation concerns their beliefs or associations

☐ prevent the IRS from promoting or evaluating its employees based on the amount of money they've collected through audits or investigations

☐ require the IRS to inform taxpayers of their rights and obligations through Miranda-type warnings prior to interviews and through written statements accompanying any forms sent from IRS and

☐ allow taxpayers to make a record of and grant power of attorney for an IRS interview.

Pryor, chairman of the Finance Subcommittee on IRS Oversight, says he has heard dozens of "horror stories" from Arkansas alleging abuse of taxpayers by the IRS. One case involves Arkansas restaurateur Daniel Maestri, who told his story during a hearing Pryor held in Washington earlier this summer.

Maestri owns Mary Maestri's, an Italian restaurant in Tontitown. "Due to business losses and high interest rates, we got behind in our state sales taxes and federal withholding taxes in the latter part of 1985 and in early 1986," he told the subcommittee.

"My accountant advised me to contact the IRS regarding the delinquent withholding taxes and make arrangements for payment of those taxes plus penalty and interest in an installment agreement," he said. "The state of Arkansas had already agreed to installment payments for the delinquent sales taxes."

Sen. David Pryor

However, after several meetings and an exchange of letters, IRS told Maestri that he had 10 days to pay the nearly $50,000 he owed or face enforcement action.

The threatened action was seizure of his business as-

Why the minimum wage should not be raised

by Susan F. Mills

This article provides a review of the research conducted to date on the effects of the minimum wage on U.S. workers and employment. It is based on* Minimum Wage Research Review, *a report prepared for the National Restaurant Association by Shriner-Midland Company.*

Supporters of a minimum wage hike say the minimum wage should be increased to help the poor. But the facts show otherwise. Since only 10 percent of minimum wage workers are from poverty-level families, increasing the minimum wage does not generally help the poor. Certainly, an increase in the minimum would raise hourly wages of low-wage workers, most of whom are spouses and children in middle income families. But it would also result in a reduction in hours of employment and leave low-wage workers worse off, with less income than they have now.

These are facts of which most people are not aware. Facts that have been substantiated in research studies. They should be used to correct misconceptions about the minimum wage.

Who earns the minimum wage?

Today less than 5 percent of U.S. workers earn at or below the federal minimum wage of $3.35 per hour, according to the Bureau of the Census 1986 Current Population Survey. That is less than one-half the percentage who were in minimum wage jobs in 1980.

Census data show that most of today's minimum wage earners are teenagers, students and spouses who work part time to earn supplemental income and gain job experience.

Among working teenagers, 28 percent earn the minimum wage. In contrast, only 2 percent of working adults between the ages of 25 and 65 earn the minimum wage.

Fifty-eight percent of the 4.9 million minimum wage earners in this country are under 25 years of age, the age group with the fewest acquired skills and least experience. Jobs for many of these workers may offer low pay for a period of time, but, in return, they often provide training, experience and opportunities to move beyond the minimum wage.

Even among teenagers, 72 percent of employed teens have already progressed beyond the minimum wage level. Among young adults 20 to 24 years old, 92 per-

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Susan F. Mills is director of research and information services for the National Restaurant Association.

**If you would like a copy of the complete report as well as "Guidelines for Discussing Minimum Wage," contact the Research and Information Service Department, National Restaurant Association, 311 First St., N.W., Washington, DC 20001.*

sets, which would result in the closing of the restaurant. "By destroying my business, the IRS would put 31 employees out of work, leave all unsecured creditors with no return on their debts and all secured creditors with considerable losses on their secured debts. On the other hand, any sort of a reasonable payment plan by IRS would have prevented these disastrous results," Maestri explained.

To avoid seizure, Maestri filed a bankruptcy petition under Chapter 11 of the Bankruptcy Act. "These proceedings naturally consumed a considerable amount of money for attorney fees, accountant fees and related expenses. In May, our plan was finally confirmed under Chapter 11, and this plan included reasonable installment payments to be made to IRS for the delinquency.

"It is my honest opinion that the Chapter 11 proceedings could have been avoided had the IRS worked with us on an installment plan for payment of the delinquent taxes," Maestri said.

Pryor's subcommittee is studying cases like Maestri's to determine whether the IRS takes excessive and harmful enforcement actions against small businesses without considering all available collection alternatives.

Pryor said that 90 percent of the letters he gets about IRS abuse come from small business people, who cannot afford attorneys and accountants or take off time to defend themselves. "Basically, they're intimidated by the IRS. Once it gets to the collection stage, you don't have an appeal; you're at their mercy."

Pryor said that he hopes to get all or part of his bill passed in this Congress.

Immigration enforcement policy relaxed until June 1988

Last month, the Immigration and Naturalization Service (INS) announced that it will follow a less stringent immigration enforcement policy until May 31, 1988, the end of the new immigration law's so-called warning/citation period.

Rather than issuing a warning to an employer for a first-time violation of the law, the INS now says it will arrange a personal informational visit with the employer in order to explain the requirements of the new law. If the employer continues noncompliance after such a consultation, the INS will then issue a formal warning.

If the employer ignores both the advice provided during the consultation *and* the warning notice's instructions, he will then be subject to monetary penalties.

Employers should be following these procedures in order to be in compliance with the law: (1) verifying within three business days of hire that each person hired since June 1, 1987, is eligible to work and (2) going back and filling out I-9 forms for all employees hired between Nov. 7, 1986, and May 31, 1987. (The "due date" for completion of this process is Sept. 1, 1987.)

—Jay Morris
—Denise Roach

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cent earn more than the minimum wage.

Not only is the minimum wage population young, it is also predominantly female. Sixty-five percent of minimum wage earners are female. One reason for the high percentage of women among minimum wage earners may be their high degree of part-time employment, since part-time workers are more likely to earn lower wages.

Finally, it is noteworthy that the largest group of minimum wage workers, 32 percent of the total, is employed in foodservice occupations. In many of these minimum wage positions employees get additional compensation from tips, but these are not counted in assessing wage levels. In fact, it is likely that well over 50 percent of the 1.6 million foodservice workers paid minimum wage receive tip income as well.

How does minimum wage affect jobs and workers?

Economic studies have long shown that total employment is reduced somewhat by raising the minimum wage. Recent studies, using improved methods and better data than those available earlier, indicate that a 20 percent increase in the minimum wage would reduce hours of employment by 20 to 40 percent among workers now earning less than the new proposed minimum wage. That would leave low-paid workers—with the least experience and skill—with less income than they have now—not at all what the law was intended to do.

How does the minimum wage affect poverty?

Increasing the minimum wage will hurt rather than help those in poverty. The low-income individuals who are the intended beneficiaries of minimum wage increases account for only 10 percent of minimum wage workers. So even if raising the minimum wage increased average incomes for low-income workers, it would be an inefficient way to benefit the poor.

Instead, recent research indicates that increasing the minimum wage leaves low-wage workers worse off with less income due to reduced hours of employment. Raising the minimum wage puts employment opportunities further out of reach for poverty level families.

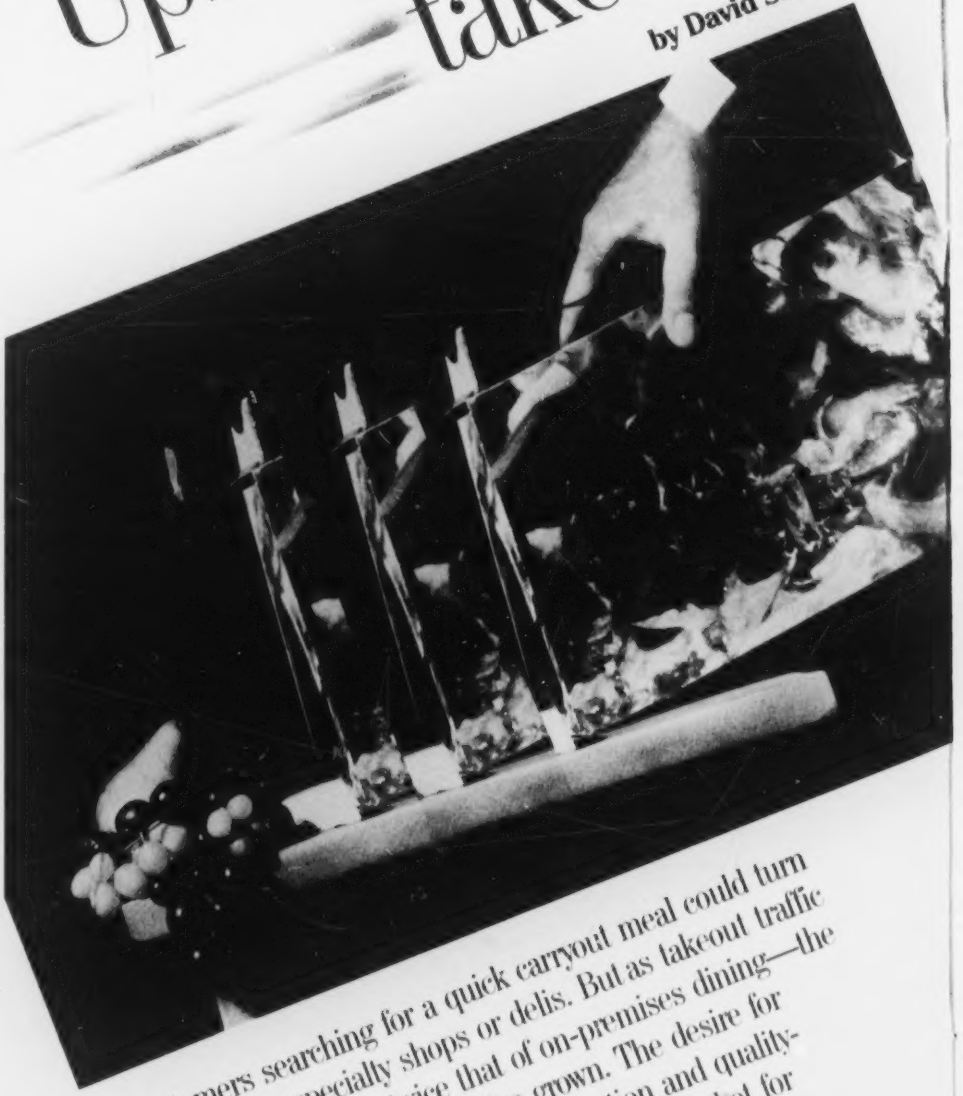
Wages are linked to skill

Differences in skill, experience, flexibility, productivity, resourcefulness and other factors are reflected by differences in job specifications and pay. The minimum wage law has the same effect as a law prohibiting employers from hiring workers with less than a specified level of skill and experience.

Instead of raising the minimum wage, efforts should be directed toward raising the skill level of U.S. workers and providing more effective help for job seekers who don't have the minimum skills required for modern jobs.

Upscale takeout takes off

by David Slater



For years, customers searching for a quick carryout meal could turn to fast food operations, specialty shops or delis. But as takeout traffic has increased—at a rate nearly twice that of on-premises dining—the options available to hungry diners have also grown. The desire for convenience, coupled with the increased sophistication and quality-consciousness of the consumer, has created a profitable market for takeout from upscale restaurants.

Boxed lunches containing stuffed breast of veal, French rolls, melon and prosciutto and cheesecake . . . vacuum-packaged fillet of salmon with a concasse of tomato and basil . . . market displays of salads, pastas, gourmet pizzas, and fruits and cheeses are only a few of the takeout possibilities at upscale restaurants.

Effective revenue expansion

Fine restaurants are turning to takeout for the most basic of reasons: It allows them, without expanding or adding new units, to efficiently attract customers who they would not have otherwise reached at that particular meal occasion.

"Carryout is the number one extension of the upscale restaurant business today," says Chip Fisher, partner in the New York City gourmet shop Fisher and Levy. Fisher views upscale carryout as an example of restaurateurs "learning to exploit more opportunities within their own environment."

But embarking on a gourmet takeout venture, whether it involves a full-scale retail grocery or a simple boxed-lunch menu, is nonetheless a serious proposition. It must be as well conceived as the fullservice restaurant with which it is associated or the carryout will devalue the restaurant.

Identify your market

"You shouldn't start a takeout business to try to attract a new crowd," says Fisher, who is also a consultant to upscale restaurants interested in takeout and catering. Most restaurateurs agree that effective carryout businesses generally do not draw a large number of new customers.

But takeout does help an operator penetrate more deeply into the type of market that his restaurant is already attracting. "The customer base is similar, but this gives them another eating-out option," says Michael Foley, who added a takeout operation, First Street Express, to his Chicago-based First Street Bistro and Wine Bar.

David Slater is a communications specialist at the National Restaurant Association.

Meeting the takeout demand

Many operators are conducting carryout businesses using a minimum of dining room space. Often, their customers will simply phone in an order and then pick up the food from the host or hostess.

Some operators, realizing that impulse shopping and convenience are an important aspect of the carryout phenomenom, are designing markets or separate carryout areas into the floor plans of their new restaurants. These markets have become a top priority for designers, who maintain that a properly conceived market will be accessible and enticing to both diners and street traffic without interfering with the restaurant's usual dining room traffic patterns.

Other operators have taken the market idea one step further. Foley, who with his father owns Foley's, Printer's Row and the First Street Bistro and Wine Bar in Chicago, included 24 seats for quick dining in his First Street Express carryout. From the sit-down/takeout operation Foley is marketing food from Foley's as well as food from the First Street Bistro.

La Colline (250 seats), an elegant French restaurant in Washington, DC, has a unique carryout operation that serves 200 to 300 people a day. The restaurant, which has its own street entrance, but is connected to an office building, offers carryout from a small shop that backs up to the restaurant's kitchen. The shop, which serves a simple menu of pastries, salads, sandwiches and soups, is accessible only through the office building.

"It's a situational operation that services mainly the workers from the office building," says part-owner Paul Zucconi. "We serve breakfast and lunch for people who want it fast." The operation, however, is a fine example of an upscale restaurant expanding its operation to take advantage of a carryout market.

Location: Traffic is key

Whether located in the suburbs or in the city, an upscale restaurant's accessibility to walk-in traffic is crucial to the success of its carryout operation. Phoenix-based Big 4 Restaurants Inc., for example, has had widely varying results with the retail shops it has designed into its restaurants. The difference, believes vice president Bill Marcus, is in the location.

"The critical factor is the amount of traffic in the area," says Marcus. "Freestanding restaurants that aren't near a busy market don't get the walk-in traffic and end up doing mainly incidental sales." But, Marcus adds, the stores in prime locations, such as shopping malls or plazas, can do from $2,500 to $10,000 worth of business per week.

Eileen Broughton, catering manager at Polcari's (90-seat restaurant, 20-seat cafe) in Boston, also considers location to be crucial to the success of their groceria. The nouvelle American restaurant actually has a double-blessing: It draws lots of tourists because it is situated on the famous Freedom Trail, and the trendy, bustling North End of the city (where Polcari's is located) has become popular with the young and middle-aged professionals who, because of their schedules and preferences, are ideal gourmet carryout customers.

Urban restaurants with a proximity to office buildings or other large corporate centers, too, generally find a growing market for upscale takeout, especially at lunchtime. Many businesspeople have developed a taste for high-quality foods, but they want to avoid the cost in time and dollars associated with going to a restaurant. "This is a new trend," says Fisher of Fisher and Levy. "There's a new breed of executives who want to eat in the office."

The right menu

☐ **Hot foods**. The hot foods served at fine restaurants usually are ill-suited for takeout because they are *a la minute*; after careful and often time-consuming preparation, these dishes suffer if not eaten immediately. The upscale restaurants that are able to develop successful hot carryout businesses are those with a specialty item that travels well and can be prepared in bulk ahead of time.

At Big 4's Oscar Taylor's, for example, the restaurant's famous barbecued ribs have developed into a popular takeout item. Because the restaurant always has plenty of the cooked product ready to be served, customers can get hot ribs to go with a minimal wait.

At Polcari's, which was a well-known Italian restaurant before its emphasis was shifted toward nouvelle American cuisine, some of the traditional Italian dishes have been maintained for carryout even though they are no longer on the menu. These dishes—such as lasagna, veal Parmesan and calzones—are better suited to takeout than most haute cuisine. Businesspeople often order meals by telephone and take them home for an easy dinner.

☐ **Cold foods**. Restaurants that report a demand for hot items nonetheless admit that there are more profits generated today by their cold carryout. Especially at lunchtime, when upscale restaurants do most of their carryout business, the greatest demand is for salads, cold meats and sandwiches that are quick and convenient. Says Chip Fisher, "Ninty-five percent of what we sell at our shop is cold."

The a la carte sandwiches and salads that people are taking away from upscale operations are not standard fare, however. Many feature creative combinations of gourmet ingredients that make them perfect for an upscale carryout. For example, sandwiches range from smoked fresh mozzarella with sun-dried tomatoes, arugula and Parmesan vinaigrette on French bread to fresh basil, tomato and provolone served with alfalfa sprouts on cornbread.

Salads are equally imaginative, ranging from sesame noodles or marinated vegetables to a chicken salad with sauteed tomatoes and anchovies. Operators find that their specialty desserts, too, are perfect for carryout, and whole pies or cakes can often be quite profitable. By-the-piece sales are also popular and include signature cheesecakes, fudgecakes, brownies and cookies.

In addition to these creative a la carte items, many restaurants are discovering a booming market for their boxed meals that include three or more gourmet courses. Not only are these meals popular for outside eating during the spring and summer months, but corporations are finding that boxed lunches are ideal for business meetings in the office.

New York City's Brasserie offers an enticing selection of varied and imaginative cold boxed meals, all of which are prepared to order. Brasserie's boxed-lunch menu includes seven set meals that range in price from $7.75 to

$11.50. They usually include an appetizer, main course, bread, cheese, salad and dessert.

One of the less expensive boxes, for example, contains fresh fruit salad, three small French rolls, roast beef, salami and cheese, three-bean salad and one piece of cake. A more elaborate box includes melon and prosciutto, French bread, cold-sliced pepper steak, roasted red peppers with string beans and cheesecake.

The Vista International Hotel in Washington, DC, allows customers to mix and match their boxes from a wide selection of dishes. The boxes, which are available through its bakeshop, include offerings such as homemade sweet potato chips, smoked tuna and swordfish with vidalia relish and mesquite grilled duck breast with fruit chutney. The Vista also includes the customer's choice of beverages, from wine and champagne to nonalcoholic drinks and wine coolers.

"We only began selling boxed lunches as an experiment," says Colleen Evans, the Vista's public relations director, "but they proved so popular we expanded the service."

□ **Reheatable foods**. In addition to their selection of quick and convenient cold foods, the retail shops that are connected to upscale restaurants often offer refrigerated signature items that can be reheated at home. Items that can be found in display cases include crabmeat or mushroom lasagna, Italian quiche, meat pies and empanadas, gourmet pizzas and elaborate pastas.

At Big 4's retail shops, customers fill their baskets with reheatable homemade baked goods from the kitchen's of Oscar Taylor's and New American Blue Mesa. The company is also experimenting with canning some of its signature items, such as relishes, barbecue sauce, apple sauce and jams.

Perhaps the most innovative new trend in carryout, however, is vacuum-packaging hot entrees so they can be reheated at home (see accompanying sidebar). Customers who want a no-hassle gourmet meal that looks like it came from a restaurant kitchen can keep a few of the dishes, which have a shelf-life of at least two weeks, in their refrigerator. The meals can be prepared in a matter of minutes simply by boiling the pouch. The technique, which was developed in France, offers a level of convenience and food quality that has operators excited.

Richard Perry, at Richard Perry Restaurant in St. Louis (88 seats), is one restaurateur who thinks the technique will revolutionize takeout in the future. The carryout operation at his planned 198-seat restaurant, scheduled to open in December, will be developed around vacuum-packaged entrees.

"I'm going mainly on seat-of-the-pants intuition," says Perry. "Several other upscale restaurants in St. Louis offer takeout, but it's mostly cold stuff—salads, sushi and sandwiches. Vacuum packaging looks like the type of thing that will have a good market."

At First Street Express in Chicago, Michael Foley is already supplementing the soups, salads and cold pastas offered at his carryout with two or three vacuum-packaged entrees each week. On a recent night, for example, guests could choose between fettucine with chive butter, shrimp and radicchio or salmon accompanied by spinach pasta with basil butter.

First Street owner Foley is excited about vacuum packaging's possibilities. "This is a good cooking form," says Foley. "It doesn't alter the product—in fact, it actually livens its intensity." At prices ranging from $5 to $10, these gourmet meals are available for a fraction of the cost of dining out or having a catered dinner.

Packaging and presentation: Making it classy

Functional packaging that protects the food and maintains the proper temperature is a necessity at any carryout operation. At an upscale operation, however, the packaging takes on even more importance, becoming, according to Chip Fisher, "an upscale operation's number one priority."

"Carryout is the number one extension of the upscale restaurant business today."

Upscale operators who succeed in the takeout business go to great lengths to assure that their packaging lives up to the food it encloses. Like shopping bags from top department stores, upscale carryout food packaging at its best is effective walking advertising.

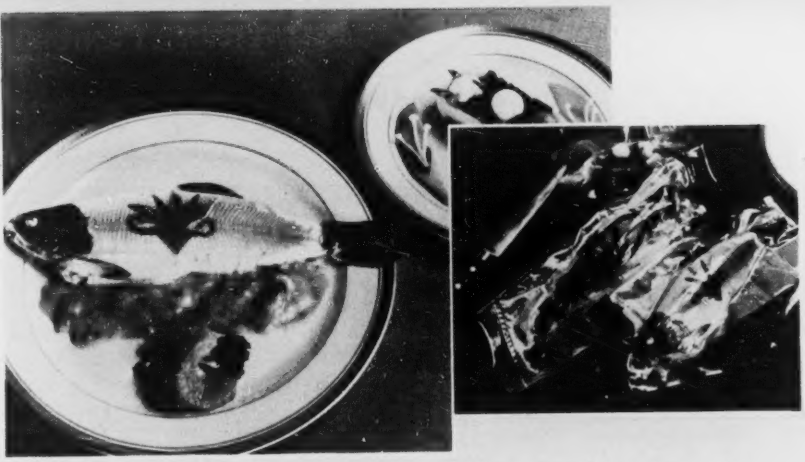
For example, nobody would ever mistake one of Brasserie's boxed lunches for a bagged lunch from home. The enticing meals come in attractive white boxes that are emblazoned with the restaurant's name and logo. The boxes are two-tiered, with the dessert, bread and cheese on the top shelf and the appetizer and entree in the bottom compartment.

At the Vista in Washington, customers who are staying at the hotel can receive their meals in luxurious picnic baskets, complete with silverware and china. "We're open to whatever the customer needs," says the Vista's Evans, "and we want the packaging to be as special as the meal."

Presentation is also a top priority at the markets connected to upscale restaurants. Operators agree that customer purchases are stimulated by shops whose shelves, cases, barrels and baskets are overflowing with enticing goods. These shops, however, do not have to be large to be successful. Fifty to 100 square feet is enough room for a retail shop, says Chip Fisher, who adds that an operator should also expect to set aside 200 to 300 square feet of kitchen space for food preparation.

To get maximum profits out of their retail space, shops connected to restaurants should stock only their own foods and not outside packaged goods. "There's no profit margin in packaged foods," Fisher says.

Concentrating on a restaurant's signature items also helps the retail shop maintain the high standards set by its connecting restaurant. "We've never had to worry about the public's perception of our shops because our retail offerings are almost identical to what we sell in our restaurants," says Big 4's Marcus.



Heat-and-serve haute cuisine?

Cuisine *sous vide* (French for "under vacuum") has the potential to revolutionize the gourmet carryout market. The intriguing new cooking method enhances natural flavors while giving the operator the flexibility of preparing large quantities of delicate dishes days in advance.

At its simplest, cuisine sous vide involves carefully arranging raw food on a thin plastic sheet, and then, using a lightly oiled spatula, inserting the food into a specially developed pouch. Next, the container is vacuumized and heat sealed using a basic single-chamber vacuumizing machine.

The package is quickly cooked in a specially designed steam-injected, air convection oven for a short amount of time. After being cooked about 90 percent of the way, the food is given a quick ice water bath to stop the process. The food can be kept under refrigeration for two weeks or more.

To prepare the foods, the unopened pouch is immersed in boiling water for a few minutes, which finishes the cooking process as it brings the food up to serving temperature. The packages are then cut open and the contents are plated and garnished.

Because the pouches have a high oxygen and moisture barrier, the foods are cooked in their own natural juices with nearly no shrinkage. The usage of spices and sauces must also be modified. Foods cooked in the sous vide method usually require about one-half the spices used in traditional cooking.

The Petroleum Club of New Orleans, a private club operated by Restaurant Marketing Associates of Media, Pennsylvania, uses the cooking technique for its entire menu except desserts. The club, which has yearly food and beverage sales of nearly $4 million, often serves more than 600 people in one day.

Ed Albany, The Petroleum Club's manager, credits the sous vide system with "a spontaneous reduction in food and labor costs." Albany often stocks ahead and allows less skilled workers to heat and serve dishes that have been prepared by a chef.

Before it can become a major element in the upscale carryout business, however, cuisine sous vide must overcome the negative impressions the American consumer has about food in a pouch.

Operators interested in vacuum-packaging, must realize that training and hygiene are extremely important when cooking under the sous vide method. In fact, officials at the Food and Drug Administration's Center for Food Safety and Applied Nutrition have expressed concerns about the safety of vacuum-packaged products. FDA officials warn that there is a potential for contamination when food is packaged in modified or controlled atmospheres. The risk is considerable when shelf life is irresponsibly extended or when temperature abuses occur.

For current information on the possible risks inherent in vacuum-packaging, call the National Restaurant Association's Technical Services Department at (202)638-6100.

Marketing: Getting the word out

Upscale operators already are familiar with the type of customer who patronizes gourmet carryouts, because this quality-conscious patron is one who at other times fills a seat in the restaurant. To promote their carryout services, therefore, operators court convenience-oriented customers both through in-house advertising and by going to their offices.

At Brasserie, where most of the boxed meals purchased during the week are for consumption at the office, customers are visually reminded of the carryout service as they enter the restaurant. A photograph of a boxed meal and a description of each offering is displayed at the restaurant's entrance.

In addition, says manager Adriana Mimami, Brasserie's boxed meal selection is listed on the back of the breakfast menu and advertised on both radio and television.

The Vista in Washington, DC, also turns to its menus to make customers aware of its services. In addition, the hotel distributes fliers at nearby office buildings and has recently begun to market the meals to "upscale clientele in outlying areas of the city."

In Chicago, Michael Foley advertises his First Street Express takeout operation mainly through local ads and in-house advertising, such as table tents and an awning that calls attention to the service. The restaurant, which is located in the West Lincoln Park area of Chicago, gets lots of carryout traffic from the young professionals who live nearby.

Many operators have found that they have developed new customers for their carryout operations through their catering businesses. And at restaurants such as Polcari's in Boston, a catering business can give a huge boost to a fledgling carryout operation in another way. "We can continue to offer high quality fresh salads and entrees because we know they'll be used," say Polcari's manager Eileen Broughton.

The new wave?

Having experienced firsthand the varying degrees of success upscale operators can have with takeout, Big 4's Marcus cautions that carryout "is not for everybody." He is quick to add, however, that "in this day and age, this is probably the new wave. Restaurants have to utilize their space better." ☐

RESTAURATEURS HELP FEED THE HUNGRY

by Marcia Hibsch Coppess

Two hundred men, women and children munch on pizza and fruit at long tables in the cavernous basement of a Chicago church. Except for the clanging of trays and occasional conversation, the room is silent, the diners intent on eating. At the open door, two people serve slices of steaming hot pizza to the line of people that streams through the entrance.

But the people at this pizza party are not members of a church social group. They are some of Chicago's hungry and homeless, who depend on the Perishable Foods Program of the Greater Chicago Food Depository for food. And they are enjoying some of the 50 to 70 pizzas donated every other week by Father and Son Pizza.

"There are always a few pizzas that are not picked up, are made with the wrong ingredients or are unsalable for some other reason," says Bill Bauer, 27, the third generation of Bauers at Father and Son Pizza. "Our family business has been donating pizzas to churches and charities since it opened in 1947," he adds. "So when the Greater Chicago Food Depository asked us to help out, we immediately offered to freeze the pizzas instead of tossing them out."

Many Americans are hungry

The nation's hunger problem is staggering. The 1985 *Physician Task Force on Hunger in America*, sponsored by the Harvard School of Public Health, estimated that 20 million Americans go to bed hungry at least once a month. The majority of those are under 18 or over 65 years of age. Not everyone who is hungry is homeless or unemployed. Many are single mothers who cannot earn enough to feed and house their children, seniors whose pensions do not cover expenses and factory workers who have lost their jobs.

The United States Department of Agriculture (USDA) estimates that from five to 20 percent of the food produced for humans in the nation is wasted. Some of that is lost to insects and poor weather conditions. But of the food that is harvested, millions of meals could be created if the food found its way into the right programs. Happily, that is beginning to happen.

All restaurateurs can help

Restaurateurs—from upscale dining rooms to fast food restaurants—are answering the call of the nation's hungry by donating food and supplies, by making financial contributions to support organizations that feed the hungry and by volunteering their professional services.

Food contributions

Most restaurateurs who help do so by donating food. Most agencies say no donation is too small. Some chefs and restaurateurs think they have nothing to give. Because of a tiny kitchen, effi-

cient planning or an especially competent staff, the only food wasted is, in their minds, unusable. It can be difficult to imagine that a poorly planned salad, day-old bread and slightly mushy fruit are a banquet to someone who hasn't eaten in a few days. But it isn't how the food appears on the table that counts here—it's that the food appears at all.

Wherever there are humans, there is error. What about the party of 30 that preordered a meal and then cancelled at the last minute? The vegetable dish in which the cabbage turned everything else purple? The lasagna missing a training session or for a photo layout?

The list is endless. A loaf of bread and some leftover meat and sauce do not seem like much. But by freezing every usable item for a week, you'll be surprised how much you can help. Surplus food from just a few restaurants becomes a thousand meals under the resourceful wizardry of the cooks at city shelters and soup kitchens.

From bread to fried chicken

Last March, for example, City Harvest in New York City served 200,000 meals. Much of that food originated at local cafeterias, corporate dining rooms, caterers, wholesalers and white tablecloth restaurants, such as The Odeon, which gives City Harvest four to 20 loaves of day-old bread every morning.

Similar programs operate in other parts of the country, coordinating food distribution to the needy. When the caterer Food Service Management by MGR recently prepared a special convention banquet for 2,200 people on the final day of a convention in Atlanta's World Congress Center, only 1,300 conventioneers attended, leaving 900 portions—more than 450 pounds of food—behind. The caterer called Atlanta's Table, a community food bank, which picked up the pans full of Mexican, Asian and barbecue food.

"In the past, extra food would have been served in the employee cafeteria," says Terry Roberts, assistant to company owner Phil Noyes. "Now the food goes to a much more worthy cause. It pleases us to know that it's going to people who really need the food."

Marcia Hibsch Coppess is a freelance writer in Arcadia, California.

But it doesn't take a banquet or special occasion to create a surplus. At Kentucky Fried Chicken units, for example, a selection of menu items must be available at all times. Naturally, not all pieces are sold. Tom Slater, Jr., whose father owns two Kentucky Fried Chicken franchises in St. Louis County, Missouri, estimates that each of the family's locations donates more than 1,000 pieces of fried chicken every month to Operation Food Search, a food bank in St. Louis.

Questions to ask if you want to help

If you think you may want to participate in a food assistance program, here are some questions that can help you decide.

☐ Is there a needy population in your area?

☐ Is there a food bank, Emergency Food Delivery Services (EFDS), soup kitchen or food pantry in your vicinity?

☐ Does your state restaurant association coordinate or sponsor donation programs?

☐ Have you inadvertently been faced with salvageable leftovers of prepared or unprepared food that you are unable to use (i.e., last-minute cancellations, reduced traffic due to inclement weather, food from cooking demonstrations or photography sessions)?

☐ Have you been looking for a means to become involved in a community service activity?

☐ Would your patrons support your involvement or be willing to contribute to fundraising activities?

☐ Do you have staff professionals (i.e., chefs, storeroom managers, registered sanitarians or dieticians) whose services may be needed by a local food bank, EFDS, soup kitchen or food pantry?

☐ Do you have any obsolete equipment, utensils or supplies that are still functional?

—National Restaurant Association Current Issues Report, "A Food Service Operator's Guide to Food Assistance Programs," August 1987

While some large corporations and food manufacturers leave decisions about philanthropic activities to the local operators, others choose to control them at the corporate level. More than 250 national companies, including Red Lobster Inns of America and Taco Bell, donate their surplus food and grocery products to Second Harvest, a national nonprofit food bank network of 200 local food banks. Second Harvest distributed about 352 million pounds of food in 1986. The food and products were then passed along to nearly 38,000 community feeding programs.

Pickup is convenient

Most feeding programs are more than willing to pick up food at a convenient time. Philabundance in Philadelphia will arrange pickup 24 hours a day, seven days a week. Some programs provide donors with disposable containers to eliminate the search for suitable storage. And owners who have been involved in programs like these say that after learning to remember not to throw out good food, it is no effort to cooperate.

"It's very simple," says Ansel Hawkins of The Odeon. "We place the bread in plastic bags. The City Harvest drivers pick it up and leave us a receipt. The most inconvenient thing that has ever happened was the time the driver took our fresh bread and left us with the day-old. But even that wasn't a big problem."

Perhaps, like Schneithorst's in St. Paul, Minnesota, you can invite your local program to pack up leftover food after Sunday's brunch buffet. "We have to keep our buffet stocked until closing time, so we can't get away from leftover food," says Doug Walsh, general manager. "We save some of it, but much of it can't be used again by the restaurant."

The food Schneithorst's donates each week to Twelve Baskets, a distribution system of the St. Paul Food Bank, makes up more than 50 meals. Included in the food line every Sunday evening at Twelve Baskets are hash browns, egg dishes, ham, turkey hash, chipped beef, waffles, biscuits, a number of salads and assorted pastries. "It requires virtually no effort on our part," Walsh shrugs. "And we get a lot of satisfaction from knowing we're helping someone."

Patrick's Cafe in Ellisville, Missouri, also donates food from its Sunday brunch to its local distribution operation Food Search. "I don't feel right throwing away good food when people are starving," says Jorge Maldonado, one of the owners of the restaurant. "What would I do with sliced cantaloupe and honeydew or breakfast sausage and Eggs Benedict? I'm glad it helps someone else."

Food to order

You don't have to have a surplus to provide food. Every other day someone appears at the side door of La Toque in Los Angeles and asks for food. Owner Ken Frank has instructed his staff to treat the person with dignity and kindness, ushering them to an area inside the building but away from the dining room and kitchen.

"If a hungry person is willing to sacrifice his humility by asking for food, I'll respect him by feeding him," Frank says. "It takes no time to put some meat and vegetables between two pieces of bread, grab an apple and pour a cup of coffee. At the end of the month, in the grand scheme of things, you know what that costs me? Zero. And that sandwich may be the person's first meal in days."

If the request comes from a food assistance program, the response can be the same, says Pano Karatassos, owner of five fine dining establishments in the Buckhead section of Atlanta. "I was approached by a local food assistance program to donate my leftovers. But I cook to order, and I don't have any leftovers," relates Karatassos. "I asked myself, why can't I prepare food to give? What's so difficult about cooking 20 pounds of beef stew and 20 pounds of rice? It certainly doesn't cost that much."

For the past few months, Karatassos has been a weekly contributor to Atlanta's Table, which coordinates the donations. He divides the preparation among his units so each chef is responsible only about once a month. The food is refrigerated in aluminum pans provided by Atlanta's Table, picked up on Thursday and transported in refrigerated trucks.

Karatassos' enthusiasm is infectious. He has been successful in getting six fellow restaurateurs involved in preparing food for donations. He requests a

Operators come together on World Food Day—October 16

Some companies choose to do their part in the hunger effort on World Food Day, October 16. World Food Day was begun by the United Nations Food and Agriculture Association in 1980 with the goal of turning the world's collective attention to the global hunger problem for one day each year. Demonstrations of commitment to the problem are left up to the individual country, city, school, company or individual.

As Patricia Young of the committee explains, "The important point is that we do our part toward eliminating hunger. How each of us does it is our choice."

In Pinellas County, Florida, the county association of the Florida Restaurant Association holds an annual hunger banquet on World Food Day. "Participating restaurants prepare, deliver and set up the soup line while church volunteers serve," explains Ted Sonenschein, last year's group president. "It's a very emotional affair to see 1,000 people pay $5 each to eat soup, bread and iced tea from a church soup line." The sparse soup line gives local residents and business people a once-a-year peek at the meals some people depend on for sustenance.

Many restaurants pledge a percentage of the day's receipts each October 16. Others request a can of food from every patron. At 17 Bennigan's in Houston, employees sponsored a food drive last year in cooperation with local media. Throughout the city, 300,000 pounds of food was collected. Of that, 46,000 products came from Bennigan's employees and customers.

In Chicago last October, restaurants participated in Sweet Charity, a weeklong observance during which restaurateurs contributed cash or a percentage of their dessert sales. The event was organized by Entertainment Action Team (EAT), a group that produces special events to fund local hunger programs.

Arnie Morton, owner of Arnie's and Morton's, got into the spirit of the event by creating a special dessert. Aptly named for the event, "Sweet Charity" consisted of a puff pastry topped with vanilla ice cream, fresh strawberries and bananas, drizzled with chocolate sauce and surrounded with whipped cream.

Meanwhile, Chicago's hot dog stands, without desserts to offer, donated a portion of all hot dog sales for the week. And bars created special drinks, then passed along a portion of profits.

More than $35,000 was raised in one week, which benefited 30 Chicago-area food distribution centers.

commitment of at least six months and a minimum donation of five to 10 gallons of food. He explains, "At first they're apprehensive. But I tell them it is simple; just do it. I urge them to visit the soup kitchens and see who benefits from the donations. Society is tough. Believe it or not there are people who can't afford to eat. It's not just middle-aged men. These places are patronized by children and elderly couples who thought they had enough money saved, but then one of them gets sick and this wipes out their savings."

Nonfood contributions

☐ **Financial donations.** Operators who don't believe their surplus warrants a donation or cannot commit to regular food donations can opt to give cash donations to local programs or to national charities. Food banks, emergency food delivery services and shelters all need money to supplement irregular donations.

Restaurateurs can give their own money, or they can raise funds at their restaurant, thereby giving patrons a chance to participate as well. Such an event can be immensely successful, as the Los Angeles Hard Rock Cafe demonstrated in its fundraiser to benefit Love is Feeding Everyone (LIFE), a local hunger relief group. On a Monday night in February 1987, the restaurant packed in a Saturday night-size crowd for lunch and dinner, generating about $19,500—all of which went to LIFE. Patrons also contributed nonperishable items.

Contributions can be made directly to a food bank or shelter or they can be given to a coordinating organization. Perhaps the largest one in the foodservice industry is Share Our Strength (S.O.S.), whose members are restaurants. The group is committed to providing funds to alleviate hunger in this country and throughout the world. Restaurants can join S.O.S. by paying an annual membership fee from $100 to $500. All donors receive a sticker for their window or front door, and S.O.S. sponsors public awareness campaigns that encourage consumers to patronize members.

Other national organizations that welcome financial contributions include United Way and Second Harvest.

Community food banks and other sources

Virtually every large U.S. city has a provision for the hungry, from a food bank in a church basement to a downtown soup kitchen. Below is a list of some major food distribution programs. If your company is not in one of these areas, contact your local health department, social service agency or United Way to learn how you can help.

California

Southern California Interfaith Hunger Coalition; 1010 S. Flower St., Suite 500; Los Angeles, CA 90015; (213) 746-7500

Connecticut

Connecticut Food Bank; P.O. Box 8686; New Haven, CT 06531; (203) 776-3663

Delaware

Covenant People, Inc.; 1147 South Governors Ave.; Dover, DE 19901; (302) 734-3044

District of Columbia

So Others May Eat (SOME); 71 "O" St., N.W.; Washington, DC 20001-1290; (202) 797-8806

Florida

☐ *Manna Food Bank;* P.O. Box 2582, Pensacola, FL 32501; (904) 432-2053

☐ *St. Petersburg Free Clinic;* 863 Third Ave., N.; St. Petersburg, FL 33701; (813) 821-1200

Georgia

Atlanta's Table; 970 Jefferson St., N.W.; Atlanta, GA 30318; (404) 892-9822

Illinois

Greater Chicago Food Depository; 4529 S. Tripp Ave.; Chicago, IL 60632; (312) 247-4282

Minnesota

Twelve Baskets; 150 Eva St.; St. Paul, MN 55107; (612) 228-1353

Missouri

Operation Food Search, Inc.; 710 Hanley Industrial Court; St. Louis, MO 63144; (314) 644-5322 or 644-5982

New York

City Harvest, Inc.; 11 John St., Rm. 503; New York, NY 10038-4075; (212) 349-4004

Pennsylvania

Philabundance; 6070 Ridge Ave.; Philadelphia, PA 19128; (215) 483-6444

National distribution of nonperishable foods

Second Harvest; 343 S. Dearborn, Suite 410; Chicago, IL 60604; (312) 341-1303

Main centers are located in Birmingham, Alabama; Anchorage, Alaska; Tucson and Sun City, Arizona; Concord, Orange, Oxnard, Fresno, Los Angeles, San Francisco, Watsonville, North Highlands, Riverside and San Jose, California; Denver, Colorado; New Haven, Connecticut; Washington, DC; Orlando, Miami, Tampa and Jacksonville, Florida; Atlanta and Augusta, Georgia; Honolulu, Hawaii; Springfield, Chicago and Moline, Illinois; Indianapolis, Indiana; Des Moines, Iowa; Louisville, Kentucky; Jefferson, Louisiana; Baltimore, Maryland; Boston and Hatfield, Massachusetts; Detroit and Grand Rapids, Michigan; St. Paul, Minnesota; St. Louis and Kansas City, Missouri; Omaha, Nebraska; Newark, New Jersey; Albuquerque, New Mexico; Buffalo, North Syracuse, Bronx, Rochester, Elmira, New York; Raleigh, Winston-Salem, Charlotte, North Carolina; Cincinnati, Cleveland and Columbus, Ohio; Oklahoma City and Tulsa, Oklahoma; Portland, Oregon; Erie, Philadelphia, McKeesport and Steelton, Pennsylvania; Providence, Rhode Island; Columbia, South Carolina; Chattanooga, Memphis and Nashville, Tennessee; Austin, Corpus Christi, Amarillo, Dallas, San Antonio, Lubbock, Fort Worth and Houston, Texas; Staunton, Richmond, Chesapeake and Roanoke, Virginia; Seattle, Washington; Gassaway, West Virginia; and Milwaukee, Wisconsin

Financial contributions from restaurants

Share Our Strength; 475 17th St., Suite 732; Denver, CO 80202; (303) 893-4301; (Assists nationally and internationally)

International

National Committee for World Food Day; 1001 22nd St. N.W.; Washington, DC 20437; (202) 653-2404

Food safety and liability

Concerns about food safety and liability have been deterrents to some restaurateurs contemplating in-kind donations. Although these are justifiable concerns, steps can be taken to increase the likelihood of proper handling once food has left your establishment and to protect your liability in the event of improper handling or contamination.

Most charitable organizations are also concerned about food safety and are eager to establish a working relationship with local health authorities. Food banks and recipient kitchens welcome and even request inspections from health departments. Most agencies that pick up and transport food train their drivers in proper food handling; some are even certified in foodservice sanitation. But some are better equipped than others to maintain proper food temperatures and quality during transportation. (Some lack capability to transport hot food and properly maintain temperatures over 140°F. Therefore, food intended for donation should be rapidly chilled* and held at 45°F or below.)

Elegant Edge

Once food is received or picked up, agencies usually assume responsibility for the food quality. For this reason, drivers are often trained to examine the quality of donated food and may reject any of questionable safety. To avoid misunderstanding, mutually agreeable criteria for donated food should be worked out with the agency. It is not uncommon for food banks or emergency food delivery services to maintain donor anonymity when dealing with recipient soup kitchens, shelters, etc. For your protection, it is recommended that you obtain a written waiver of liability from the coordinating agency with which you are working.

In addition, most states have legislation known as good samaritan laws enacted to protect providers of charitable contributions from liability. Most of these laws grant food donors, who give food to charitable organizations for free distribution to the needy, partial immunity (excluding gross negligence, reckless or intentional misconduct). The specifics of the laws vary from state to state. Some of these laws are explicit, specifically citing foodservice operators as donors, while others are vague in donor definition. For more information regarding good samaritan laws in your state, contact the office of your state attorney general. Your state restaurant association may also be of assistance in this matter.

To assure that proper quality standards are maintained for food you donate and to protect you from potential liability, consider this checklist:

☐ Make sure all donated products meet the same legal and regulatory standards for safety, wholesomeness and freedom from spoilage as any food you offer for sale.

☐ Investigate the conditions of the food samaritan laws in your state.

☐ Do not donate food that has been served; offered on an unprotected buffet; or is of questionable quality.

☐ Maintain food temperatures below 45°F or above 140°F.

☐ Is the agency you are working with concerned about food safety and sanitation? Investigate its policies and procedures and inspect its facilities.

☐ Are the agency and its recipient kitchens licensed or inspected by local health departments?

☐ Will the agency inform the health department of your intentions to contribute and disclose the planned scope of your participation?

☐ Are the agency's personnel trained or certified in foodservice sanitation?

☐ Does the agency have specified standards of food quality, and does it inspect food quality on receipt?

☐ Are the agency's vehicles and equipment clean and equipped to maintain proper temperatures?

☐ Are potentially hazardous foods assigned a "destroy by" date and is that date visible on the container?

☐ Is there a written policy protecting donors from liability?

☐ Does the agency's insurance policy cover food and does it protect donors in any way? Are copies of the policy available to donors?

☐ Is the donor's identity withheld from food recipients?

☐ Do food banks have proper storage facilities?

—Reprinted from National Restaurant Association Current Issues Report, "A Food Service Operator's Guide to Food Assistance Programs," August 87

**Brought from 140°F to 45°F in four hours or less.*

In 1986 Second Harvest not only received cash grants but also matching funds, coupon incentives and advertising donations.

□ **Time and service donations.** Professional services can be a valuable resource. Some soup kitchens and food banks need professional guidance in meal planning, food preparation and/or employee training. Your staff services can also be donated to prepare or serve meals at fundraising events, or you can donate tickets to a cooking class for a raffle or other fundraiser.

□ **Other in-kind donations** welcomed by food assistance programs include unprepared foods, such as sugar, flour or rice; canned items resulting from seasonal menu changes; and serving utensils, pots, pans or equipment that may have been replaced by newer models. As with food, all equipment should be safe and in good condition.

Benefits to operators

An obvious benefit that comes from feeding the hungry is personal satisfaction. "It's an exciting thought—that those in the feeding business can be instrumental in fighting hunger in this city and across the United States. I am delirious about the results we got," says Peter Morton, owner of Hard Rock Cafe.

More pragmatically, though, charitable contributions are tax deductible. All cash donations are deductible, of course. You may also deduct the retail value of the food you donate, as well as the labor cost, as a charitable donation on your tax forms. However, if you choose to do so, you may not deduct the cost of the food as a standard operating cost.

Be sure to keep good records of in-kind contributions detailing the type and amount of food given and obtain receipts from the receiving agency. The fair market value of donated used equipment is also a legitimate tax deduction. However, professional time is not deductible—although the cost of travel involved is. Prior to donation consult your accountant or tax preparer for more specific advice regarding the documentation you need to keep.

Another benefit worth considering is the positive community relations gained from participating in food assistance programs. ❑

Restaurant benefit nets $350,000 to help AIDS victims

AID & COMFORT, the San Francisco Restaurant Benefit for People Fighting AIDS, was the first public effort in the food and restaurant industry to deal with AIDS in the community. Held on June 8, it raised close to $500,000 for six San Francisco charities administering aid and comfort to people fighting AIDS. As chef Alice Waters, a member of the executive committee for AID & COMFORT put it, "the real goal was to show that people care."

Originally envisioned as a quiet dinner for 300 by Zuni Cafe's Vince Calcagno, who had lost five friends to AIDS in one month, AID & COMFORT evolved into an elegant, nine-course dinner for 1,040 people at San Francisco's Fort Mason Pier 3. Reading like a "who's who in food," the gala benefit featured gourmet dishes donated and prepared by 14 notable chefs: Alice Waters (Chez Panisse), Cindi Pawlcyn (Fog City Diner), Jeremiah Tower (Stars), Bradley Ogden (Campton Place), Jim Dodge (Fournou's Ovens at Stanford Court), Hubert Keller (Fleur de Lys), Barbara Tropp (China Moon), Jean-Pierre Moulle (Pierre at Meridien), Rick O'Connell (Rosalie's), Joyce Goldstein (Square One), Patricia Unterman (Hayes Street Grill), Cecilia Chiang (The Mandarin), Judy Rogers (Zuni Cafe) and Annie Somerville (Greens at Fort Mason).

Jeremiah Tower made "Tuna Carpaccio with Ginger Cream" for AID&COMFORT.

Setting egos aside, these nationally recognized chefs, their personal staffs and an army of 350 professional servers volunteered their time, their energy and most of the necessary materials. Several of the restaurants closed for the evening in order to participate.

The organizational logistics for the meal were undertaken by Van Wyk Coleman Catering (whose previous experience included the Super Bowl). There were four stations serving 250 people and six temporary kitchens, each run by an accomplished chef with about 25 assistants—some of the 'assistants' quite notable themselves. The coordination involved in orchestrating the meal with a complement of champagne at the beginning and end and two red and two white wines in between, was, as one food writer put it, like directing a stage production of the Normandy invasion. Walkie-talkies were in evidence at the waiter stations to communicate with the kitchens in the Fort Mason facility, which is just over two football fields long.

In addition to participation by the restaurants, their owners, chefs and staff, corporate sponsors 'kicked in' about $120,000 to cover expenses before the $250 dinner tickets went on sale. The event was a sellout. Entertainers also contributed their time and talent, including Joel Grey, who, unannounced, bounded onto the stage (to the strains of "Cabaret") and said he had introduced many things and people in his time, but never "Tuna Carpaccio with Ginger Cream" (a signature dish prepared by chef Jeremiah Tower). Other star entertainment included Shirley MacLaine, Linda Ronstadt, the San Francisco Ballet Orchestra and Boz Scaggs (himself a restaurant owner). Artists, designers and writers created a limited edition portfolio of fine art, recipes, poetry and prose, which sold to benefit AID & COMFORT.

Recipients of the AID & COMFORT proceeds are well-established charities already helping in the day-to-day support of people with AIDS. They include the Shanti Project, Project Open Hand, Hospice of San Francisco, AIDS Emergency Fund and specified programs of the San Francisco AIDS Foundation.

—Deborah Goldstein

A 5-POINT PLAN FOR MENU PLANNING

by Bill Paul

Don't look now, but your menu may be stealing the profits right out from under your nose. It's never an obvious theft. In fact, most restaurant operators never see it happen, but a bad menu can cost almost any restaurant up to $1 in profits for every meal sold.

The crime occurs when items are added, maintained or promoted on the menu for all the wrong reasons. For example: They may be the manager's favorites. They may have a low food cost percentage. They may be similar to items offered by the restaurant down the block. Or they may have been on the menu for years, and it's a matter of tradition.

Such reasons just are not good enough. The only way to keep your menu honest is to insist that every appetizer, entree or dessert meet two very important criteria. First, each item must contribute its fair share to restaurant profitability. And second, each must enhance customer satisfaction *and* perception of value. Only if an item passes those two tests, has it earned the right to be on your menu.

There are basically three ways to increase sales and profits:

☐ Increase check average

☐ Attract new customers and

☐ Increase frequency of visits.

Bill Paul developed the Menu Advantage Plan, a Cincinnati, Ohio-based service company that implements his unique menu marketing system.

The "Menu Advantage" system focuses its efforts primarily on the first alternative. This approach is not a radical one—it does not recommend major changes that involve large amounts of capital. It simply takes a systematic, painstaking look at every day part and item, identifies profit-makers and losers and recommends refinements to the current menu marketing plan.

This system involves five steps:

1) developing a restaurant profile
2) performing a profit analysis
3) developing a game plan for every entry
4) creating a menu that merchandises and
5) following up.

This process is not quick and should not be oversimplified. It must consider many facets of restaurant operations—marketing, server training, suggestive selling, product merchandising—and how their interrelationships affect customer satisfaction and profit.

When a menu is fine-tuned in this way, it not only supports the restaurant's market position, but it also sets the tone for customers' dining experience and encourages them to select the entrees and add-ons (appetizers, wines, desserts) that are most profitable.

1

The restaurant profile

The first step toward turning your menu into an ally is to identify your restaurant's unique strengths and attributes and build those into a strategy for success. You should thoroughly examine:

☐ **Market position.** Do you have a written positioning statement or credo that includes a reason for being, objectives, identification of the target market and pricing strategies? Most restaurants don't, but should. To perform successfully, every employee must understand the purpose and goals of the restaurant.

☐ **Customer profile.** Have you done recent surveys to obtain demographic and psychographic information on your target market? When you know who your customers are and what they are looking for, you can better meet their needs.

☐ **Competitive strengths and weaknesses.** Do you know who your competition is? Knowing their strengths and weaknesses as well as your own helps you develop a strategic game plan.

☐ **Financial trends.** Are you monitoring upward and downward trends in customer counts, sales, average checks, food costs and profits and/or losses for each day part? These trends greatly affect what you place on your menu.

Finally, take a look at your reasons for wanting to sell certain items—the "right" and "wrong" reasons discussed earlier. With all this information in hand, you can move on to the next step in the menu marketing process.

2

A complete profit analysis

The second step in our five-point plan—the profit analysis—calls for detailed number crunching. This involves a lot more than checking cash register tapes at the end of the night. It requires looking for important relationships between sales, profits and costs for every item on the menu.

On an average item, the relationship among these three figures should be 1:1:1. But often there will be an imbalance, which can be good or bad. You will want to capitalize on the positive imbalances and modify the effects of the negative ones. For example, while some items sell well, they may contribute a relatively low amount of profit. The items you want to target are those that sell well *and* contribute high amounts of profit.

You may have noticed I haven't mentioned food cost percentages yet. Food cost is certainly one criteria in menu marketing, but it is a secondary one. One operator almost took his most profitable and popular item off the menu because he thought the food cost percentage was too high. We stopped him just in time. That particular item now contributes even more profit to his bottom line.

In addition to profit performance levels, you need a chart showing how many items are sold at various price points. This gives you an idea of how your customers respond to different price levels, and it shows where opportunities exist to develop new products and/or where you can trade up customers to higher profit levels.

Finally, a menu graph containing all the entrees for the day part under examination will show you which items boost or deplete the bottom line. Each item is plotted according to two variables: profit contribution and the number of meals sold. The graph, patterned after a matrix developed by Don Smith and Michael Kasavana breaks down into four quadrants.

Quadrant I contains those menu items that have high popularity and high profitability. They are called "Winners." These are the key items you want to sell and promote. They should be put in prominent places on your menu, be given good descriptive copy and should be supported by point-of-purchase materials. In addition, your staff should recommend these top performers to customers.

Quadrant II items, the "Loss Leaders," have high popularity but low profitability. You need to find ways to make these menu items more profitable or develop ways to "trade up" customers to other more profitable items. Simply raising prices for these items is not the answer; in fact, such a move would probably hurt the restaurant.

Quadrant III menu items, the "Losers," have low profitability and low popularity. They should be removed from the menu or be radically remerchandised.

Quadrant IV items have "Great Expectations" in that they have high profitability but low popularity. Sometimes these items can be turned into winners by changing their location on the menu or by giving them an extra promotional push. Sometimes they are simply overpriced "losers" and should be re-examined.

When all of this plotting is through, you have a good idea of which menu items are carrying their own weight and which ones are draining your profits. The process also helps develop financial guidelines for new products such as daily specials and helps identify which products should be singled out for promotions.

3

A game plan for each item

Now that you have all of this information, you need a game plan for every item on the menu. Game plans vary by item and by restaurant. The goal is to take each item and make it as visible as it deserves to be.

Most restaurants develop their menus as if all items were equally profitable and popular, and servers often cannot recommend one item over another. This is counterproductive. A menu should highlight winners and downplay loss leaders. Every item has a role to play on your menu, and it is the job of menu marketing to orchestrate the most profitable performance. Factors to consider include:

☐ **Pricing strategies.** Is the menu item in line with your customers' perception of value? Even though automatically raising prices may have worked in the past, the increasing amount of competition makes it almost impossible to pass additional costs on to the customer now. In fact, sometimes prices need to be lowered if they are not in step with customer expectations.

☐ **Product merchandising.** Is the item being promoted appropriately for its relative contribution to customer satisfaction and profitability? This applies to both entrees and add-ons.

☐ **Combination marketing.** Can certain items be combined with other items for extra promotional punch?

☐ **Menu positioning, layout, design.** Does the item have the right amount of visibility on the menu?

☐ **Descriptive copy.** Is the descriptive copy appropriate to the item's visibility? Some items deserve mouth-watering description; others deserve none at all.

☐ **Suggestive selling.** Are servers recommending the right items to customers? Training can improve performance in this area.

☐ **Sales promotions.** Should the item be singled out for special promotions such as couponing?

☐ **Point-of-purchase materials.** Should the item be singled out for table tents, placemats, server buttons, banners and other point-of-purchase materials?

☐ **Food cost management.** How can the item's margins be maintained or improved through more aggressive, effective buying strategies?

4

A menu that merchandises

A well-developed menu does three things: It reflects the restaurant's marketing position. It sets the tone for the customer's dining experience. And it influences the selection of specific entrees and add-ons.

The menu is the end result of the entire menu marketing process. Although it is not the most important part of the system, it is the most visible.

Confusion is the big culprit in menu design. If you remove confusion, your whole menu marketing message will be more readily understood. When the organization is clear and logical, customers can scan your menu in as little as 60 seconds and can make better buying decisions. The more confused your patrons are, the less likely they are to buy the items you most want to sell.

There are ways to make sure your menu communicates clearly. Most importantly, do not begin the graphic design until after the most important menu marketing decisions have been made. Some restaurateurs will go to an ad agency or menu design company before they have decided how menu items should be positioned. That's backwards. Your menu marketing strategy should direct the design, not the other way around. Once all products have been effectively grouped into categories, positioned on the menu to reflect the appropriate level of visibility and sequenced properly within each category, you can consider such factors as image, seasonality, nutrition and current product preference trends.

Once you consider your marketing factors, you can turn the menu over to a menu maker to design a menu that supports the strategy and best conveys your restaurant's image.

One final fact to remember: Because most customers will only remember five to six items on the menu after they put it down, make sure the ones you highlight are the ones that are the crowd-pleasers and the profit-makers.

5

Following up

To keep profit performance at its peak, menu marketing process needs to be an ongoing process. This allows you to keep up with changes in your competition and in such factors as seasonality, product lifecycles, selling prices, food costs, customer preferences and customer demographics.

You must look at the total menu and the four groups—Winners, Loss Leaders, Losers and Great Expectations—examined in the initial analysis and track the performance of each individual menu item. Follow-up is critical to the success of the five-point plan.

Measurable results

Although effective menu marketing takes discipline, time and commitment, the rewards can be well worth the investment of time and money.

MUSH

Americans are foraging for wild mushrooms—not in forests, however, but in restaurants and supermarkets. They are discovering the range of flavors wild and cultivated mushrooms can bring to their meals and are seeking out mushrooms in record numbers.

Responding to the boom have been mushroom growers, cookbook writers and restaurants. Within the last year alone, two books have been published on mushrooms. Both *Wild about Mushrooms* by Louise Freedman (published by the Mycological Society of San Francisco, 1987) and *Joe's Book of Mushroom Cookery* by Jack Czarnecki (Atheneum, 1986) describe the many varieties of mushrooms, explain their culinary uses and provide recipes.

Even more telling has been the explosive growth in mushroom production. For example, in 1981, Delftree Corporation, a large commercial producer of fresh shiitakes in Hatfield, Massachusetts, sold less than 200 pounds of this all-purpose mushroom each week. In 1986, orders for shiitakes escalated to nearly 2,000 pounds per week, and by the summer of 1987 orders were just under 4,000 pounds. This pattern has been repeated for other varieties.

As demand grows for mushrooms, technology to increase procurement and production also develops. Today entrepreneurs have found ways to cultivate wild mushrooms that were available only sporadically before (such as shiitake and oyster mushrooms) and the cultivation of other varieties, such as chanterelles, morels, puff balls and truffles, may be just around the corner.

CHICKEN BREASTS WITH CHANTERELLES

Serves 4 as a main course

Alternate mushrooms: shaggy mane, morels

Ingredients:

2 cups dry white wine
1 garlic clove, crushed
1 bay leaf
1 parsley sprig
4 chicken breasts, skinned and boned
1½ lbs. chanterelles, chopped
4 Tbsp. butter
3 shallots or 1 medium onion, minced
⅓ cup pine nuts
Chopped fresh parsley
Salt and pepper to taste

Method:

In large saucepan, bring wine, garlic, bay leaf and parsley to simmer. Add chicken, cover, and cook until tender, about 15 minutes. When cool enough to handle, remove chicken and chop into small portions. Strain liquid into medium saucepan.

In saute pan or skillet, saute chanterelles in butter until tender; set aside. Pour liquid from mushrooms into reserved poaching liquid and cook until slightly thickened.

Add shallots, pine nuts, chicken and chanterelles to the liquid and cook uncovered for 10 minutes. Complete dish with parsley, salt and pepper.

—Wild About Mushrooms, *Aris Books; Berkeley, CA, 1987*

MUSHROOM RISOTTO

Serves 4 as a side dish

Mushrooms: shaggy parasols, boletes or chanterelles

Ingredients:

3 cups chicken broth
Pinch of saffron
4 Tbsp. butter
1 Tbsp. olive oil
½ lb. mushrooms, sliced
1 cup Arborio rice
Salt and pepper to taste
2 Tbsp. chopped fresh parsley
½ cup freshly grated Parmesan cheese

Method:

Place chicken broth in saucepan; add saffron and bring broth to boil. Remove from heat. In saucepan, melt butter with olive oil and saute mushrooms for 5 minutes. Add rice; cook and stir until golden. Add heated chicken broth 1 cup at a time, simmering and stirring occasionally until each cup is absorbed and rice is creamy. Add salt and pepper. Sprinkle with parsley.

Serve immediately with cheese sprinkled on top.

—Wild About Mushrooms, *Aris Books; Berkeley, CA, 1987*

This increased availability is definitely affecting restaurants. Chefs from coast to coast are exploring the subtle tastes and textures of many different mushroom varieties—and customers are intrigued and asking for more.

Restaurateur and chef Kevin O'Connell of the Inn at Little Washington in Washington, Virginia, uses oyster mushrooms for grilling, sauteing, frying and stuffing ("They have a sealike taste and a smooth fishlike texture."); nutty, meaty morels (easily dried for use in sauces and soups throughout the year); shiitakes (for their "meaty taste and texture—a good item to use in or as a vegetarian dinner or as an accompaniment

ROOMS

to cocktails") and chanterelles and trumpet mushrooms.

In one unusual presentation O'Connell mixes chopped shiitakes with a thick marinade. He spreads this mixture over a delicate crepe, which he then rolls, chills and slices before serving.

Mushroom expert and author Jack Czarnecki, chef/owner of Joe's, a restaurant that specializes in mushroom dishes in Reading, Pennsylvania, is equally creative. "The interest in mushrooms is coming out of the woodwork," says Czarnecki, who has been picking wild mushrooms since he was a boy. "But," the mushroom expert says, "this interest is not a fad. It's been building for the last 10 years—and now it has peaked."

Czarnecki, who picks many of the wild mushrooms used in his restaurant, has served more than 200 varieties of mushrooms in various dishes.

Although he has a few staple dishes on his menu, Czarnecki changes many entrees regularly to reflect the mushrooms in season. One of his favorite ways to use mushrooms is a fillet of beef with peppercorn and the mushroom *tricholoma equestre* ("man on horseback").

Daniel Hugelier, executive chef at the Amway Grand Plaza Hotel in Grand Rapids, Michigan, and a member of the 1988 National U.S. Culinary Team, uses fresh chanterelles, fresh morels, shiitakes and portabellos.

One of Hugelier's favorite mushroom recipes was created by the U.S. Culinary Team. In this recipe, fresh diced chanterelles and dark hen meat are inserted under the skin of game hens before roasting. He also serves mushrooms en croute, as a garnish, in tureens, pates and purees.

Enhancing the flavor of mushrooms

Despite the many different ways to prepare mushrooms, all mushrooms taste delicious when sauteed in butter. Other flavor enhancers, says mushroom expert Jack Czarnecki, include onions, especially shallots and green onions; fresh sweet peppers—both green and red; nuts, especially walnuts and pine nuts; soy sauce and the spices savory, marjoram, thyme and sage. ❑

FETTUCCINE WITH ZUCCHINI AND MUSHROOMS

Serves 6

Mushrooms: common store, shaggy parasol

Ingredients:

1 lb. mushrooms, thinly sliced
5 Tbsp.. butter
1½ lbs. zucchini, julienned
1 cup sour cream
1 Tbsp. olive oil
1 lb. fettuccine
¾ cup or more freshly grated Parmesan cheese
Salt to taste
¼ tspn. cayenne
½ cup minced fresh Italian parsley

Method:

In large saucepan saute mushrooms in butter over moderate heat for 2 minutes. Add zucchini. Cook until zucchini is tender but slightly crisp. Cool, then stir in sour cream.

Add olive oil to a large amount of boiling salted water, then add pasta and cook until al dente. Drain pasta in a large colander. Add pasta to pan of zucchini and mushrooms. Sprinkle with Parmesan cheese, salt, cayenne and parsley and toss gently.

—Wild About Mushrooms, *Aris Books; Berkeley, CA, 1987*

FRESH TROUT WITH MUSHROOM AND GROATS STUFFING

Serves 4

Ingredients:

1 medium onion, chopped
4 Tbsp. butter
1 lb. wild or domestic mushrooms, blanched
1 egg, beaten
2 cups cooked medium buckwheat groats
Salt and pepper
4 fresh trout, 8 to 12 oz. each
2 Tbsp. melted butter
1 Tbsp. white wine
4 Tbsp. chopped parsley
Whole fresh herbs for garnish
1 lemon
2 oz. pickled mushrooms (optional)

Method:

1. Saute onion in butter until transparent.
2. Chop mushrooms.
3. Blend onions, mushrooms, beaten egg and groats. Salt and pepper to taste.
4. Stuff fish cavity and score.
5. Brush trout with melted butter and sprinkle with white wine.
6. Bake trout in oven for 15 minutes. Garnish trout with parsley, fresh herbs, a wedge of lemon and a few home-pickled mushrooms.

—Joe's Book of Mushroom Cookery; *Atheneum, New York, NY; 1986*

Foodservice Trends Special

CHIL

A growin

No segment need miss out on the opportunities offered by the increasing number of children in the U.S. population. Between 1982 and 1986, the number of children visiting restaurants doubled. Although fast food restaurants

Franchise restaurants are consistently staging promotions that tie in with children's toys and cartoon characters. Independent restaurateurs are recruiting children to sit on panels to test new menu items and to offer feedback on restaurant service, and they are opening their kitchens so that kids and chefs can get together for special cooking classes.

Why are operators focusing on children? Because children are a formidable force in the foodservice market. In 1986 there were 63 million youngsters under the age of 18. Over the next 10 years their numbers will grow to nearly 68 million. This market is important not only because of its size but also because of the influence children have on family decisions. A 1982 National Restaurant Association study revealed that 26 percent of children and 32 percent of teens played a role in selecting which restaurant the family would visit. Their influence grew when the outing was to a fast food establishment.

Moreover, changes in family demographics, such as a rising number of working mothers, dual-income families, smaller families and older first-time parents, will mean today's children will be eating more restaurant meals and snacks than did previous generations. Results of a special CREST study, prepared exclusively for the National Restaurant Association, reveals there has already been an increase in children's restaurant usage. In fact, the increase in restaurant traffic for children was double that registered for the population overall between 1982 and 1986. And although they still hold only a small portion of the total market, their share increased over this four-year period.

Children visit fast food restaurants most often

The quickservice segment captures eight of every 10 restaurant visits by children under 18 years of age. Between 1982 and 1986, traffic at these establishments increased 30.5 percent for children under the age of six and 25.2 percent for those between the ages of six and 17.

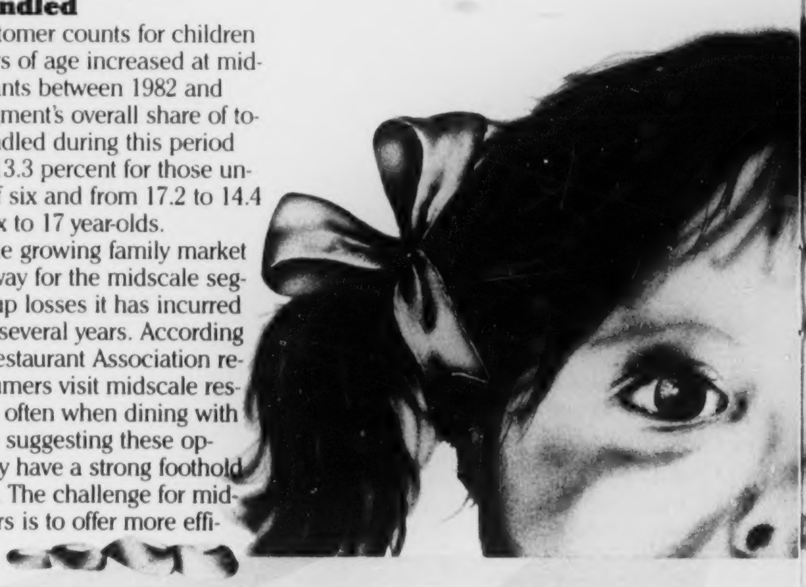
According to CREST information, young consumers prefer hamburger and pizza quickservice restaurants. Together, these two types of establishments accounted for more than one-half of all children's visits to quickservice restaurants in 1986. Hamburger restaurants alone accounted for 35 percent of the visits. However, since 1982 hamburger quickservice places have lost market share while pizza places have gained market share. During this five-year period, customer counts for children under 18 years of age increased at pizza restaurants as well—by more than 60 percent. Wider availability due to rapid unit expansion within this segment and the growth of home delivery have undoubtedly contributed to the increase.

Since 1982, ethnic restaurants in the quickservice segment have posted strong increases in traffic from children. Quickservice ice cream and chicken places are also popular with children. However, these account for less than 10 percent of all visits for children under the age of 18.

Midscale segment's share dwindled

Although customer counts for children under 18 years of age increased at midscale restaurants between 1982 and 1986, this segment's overall share of total visits dwindled during this period from 15.7 to 13.3 percent for those under the age of six and from 17.2 to 14.4 percent for six to 17 year-olds.

Pursuing the growing family market may be one way for the midscale segment to recoup losses it has incurred over the past several years. According to National Restaurant Association research, consumers visit midscale restaurants most often when dining with their families, suggesting these operators already have a strong foothold in the market. The challenge for midscale operators is to offer more effi-



Kate Conroy is research specialist for the National Restaurant Association.

by Kate Conroy

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g market

continue to be the stronghold for customers under 18 years of age, other segments are making inroads. Since 1982, for example, ethnic restaurants and upscale establishments have attracted more young diners.

cient service while aggressively promoting their menu variety, wholesome foods and relaxed atmosphere. Working parents may indeed welcome the chance to relax in the atmosphere of midscale restaurants.

Some types of midscale restaurants have successfully boosted traffic of younger consumers in recent years. Between 1982 and 1986, customer counts for patrons under six years old rose more than 90 percent at midscale Asian restaurants and by about 70 percent at Italian establishments. Six to 17 year-olds visited each of these types of restaurants on about 30 percent more occasions in 1986 than in 1982.

Young children visit more upscale restaurants

Although upscale restaurants are geared towards adults, children, especially those under six years old, are visiting them more than ever. Couples conditioned to dining at fine restaurants are becoming more reluctant to abandon the practice when they have children. Traffic at upscale restaurants for children under the age of six rose a whopping 43.3 percent between 1982 and 1986. This increase is four times that registered for the segment overall.

Upscale restaurants still capture less than four percent of total traffic for this age group, but their share is up from 1982 figures. Upscale operators may want to adapt menus to suit the palates of young children and find creative means of accommodating these more boisterous patrons while continuing to provide a pleasant, relaxing environment for all their customers.

Customer counts for children between the ages of six and 17 also rose at upscale restaurants during this period. However, the gain was well below that registered by their younger counterparts. Moreover, the upscale segment's share of total traffic for the six to 17 age group slipped slightly between 1982 and 1986.

Whatever their age, children are more likely to visit moderate-check upscale restaurants than higher-check upscale establishments. The moderately priced group of upscale restaurants accounts for the majority of total upscale visits for all children under 18 years of age—about 85 percent. Popular moderate-check upscale restaurants include varied menu, Asian and Mexican.

Takeout is popular with children

Children are frequent takeout customers. More than one-half of all their restaurant visits involve off-premises consumption, compared to 43 percent for the population overall. Moreover, children under 18 years of age have been fueling the expansion of takeout at restaurants, accounting for about one-

Number of children in the U.S. population (in millions)

The number of children continues to grow

	Under 6 years old	6 to 12 year-olds	13 to 17 year-olds
1970	20.9	28.7	20.1
1974	19.9	26.8	21.3
1978	18.9	25.0	20.9
1982	20.6	23.7	18.7
1986	21.7	23.4	18.1
1990	23.0	25.1	16.2
1994	22.7	26.7	17.4
1998	21.7	27.1	18.9

Note: Projections based on middle series
Source: U.S. Department of Commerce, Bureau of the Census

Suzanni

Percent change in restaurant traffic for children 1982—1986

Visits to restaurants by children, especially those under six years old, increased more than those for the overall population

	All restaurants	**Quickservice**	**Midscale**	**Upscale**
All ages	10.8%	19.7%	−7.3%	10.0%
Under 6-year-olds	27.4	30.5	24.2	43.3
6 to 17 year-olds	20.8	25.2	1.3	16.8

Source: National Restaurant Association CREST survey

Distribution of eater occasions by day of week and meal periods in 1986

Young children ate at restaurants more during the week, whereas older children dined out most often on weekends.

	All ages	**Under 6 years old**	**6 to 17 year-olds**
Weekday	56.2%	51.4%	45.3%
Breakfast/a.m. snack	7.7	5.6	3.7
Lunch	25.4	20.2	13.5
Dinner	17.2	18.5	20.2
p.m. snacks	6.0	7.2	8.0
Weekend	43.8%	48.7%	54.8%
Breakfast/a.m. snack	5.2	4.9	5.5
Lunch	10.8	12.8	12.7
Dinner	22.6	25.0	28.9
p.m. snacks	5.1	6.0	7.7

Source: National Restaurant Association CREST survey

third of the total increase in off-premises traffic between 1982 and 1986. For children under six, customer counts for takeout climbed more than 31 percent, and they rose nearly 29 percent for six to 17 year-olds.

Quickservice restaurants capture the lion's share of all takeout business, and this pattern holds true among young customers as well. More than 90 percent of all children's takeout occasions occur at quickservice restaurants. Midscale places account for less than 5 percent of all off-premises occasions for both age groups, and upscale restaurants hold under one percent. Both segments' share of the takeout market has declined since 1982.

Children are likely to eat their takeout food at home. In 1986, 49.4 percent of all off-premises occasions occurred in the home. For children, the proportions were even higher—59.4 percent for children under six and 60.0 percent for those six to 17 years old. Fifty-seven percent of the restaurant meals consumed at home by children under the age of six were purchased through traditional carryout as were 67.0 percent of those eaten by six to 17 year-olds.

Drive-thru captured nearly one-third of the at-home market for young children and under 25 percent for the older age group. The remaining proportion is accounted for by home delivery. Between 1984 and 1986, traffic counts for home delivery more than doubled for children under six and for six to 17 year-olds. Delivery's share of total at-home occasions nearly doubled over this period with both age groups.

Quickservice restaurants unquestionably hold the dominant position in the takeout market. One reason may be that takeout is not yet as widely available at other types of establishments. Midscale and upscale operators, both of whom have had difficulty building customer counts in today's convenience-driven environment, may be in a unique position to cater to families. Their varied menus can appeal to the more sophisticated tastes of parents and still satisfy young appetites. Offering complete takeout meals, including salad, entree, vegetable and even dessert may attract parents looking to recapture that home-cooked feeling of the family meal they enjoyed as children.

Targeting takeout at families is one way operators can expand their customer base. Some operators, especially upscale restaurateurs, may be reluctant to target families for on-premises dining because children can have a disruptive influence on other patrons. However, they can tap the growing family market by catering to their off-premises needs. In turn, the adults may remember the restaurant when the occasion calls for dining out.

Weekday versus weekend visits

The timing of visits varies by age. Children under the age of six eat at restaurants most often on weekdays, and lunch is the meal they eat out most often during the week. Most of these lunches—eight out of 10—are eaten at quickservice places. Sixty percent occur at hamburger restaurants.

On weekends, children are most likely to eat dinner at a restaurant. Quickservice places, most notably

Percent of occasions for off-premises dining
1982—1986

Children opt for takeout on more than one-half of all restaurant occasions

	Total restaurants		Quickservice		Midscale		Upscale	
	1982	**1986**	**1982**	**1986**	**1982**	**1986**	**1982**	**1986**
All ages	39.8%	43.0%	56.9%	58.8%	13.3%	12.9%	6.2%	5.7%
Under 6 years old	52.8	54.4	61.0	62.2	17.7	16.1	13.6	12.0
6 to 17 year-olds	50.1	53.2	59.2	61.6	17.1	17.4	10.7	8.9

Source: National Restaurant Association CREST survey

Children's favorite restaurant foods

Soft drinks, french fries and hamburgers are children's top restaurant food choices

	Proportion of occasions
Under 6 years old	
Soft drinks	36.4%
Total sandwiches	36.0
• Hamburgers/ cheeseburgers	25.6
French fries	33.4
Pizza	16.5
Chicken—all types	11.9
• Fried chicken	9.8
Ice cream	9.7
Milk	9.5
Total breads	6.2
Donuts/sweet rolls	3.9
Juice	3.6
6 to 17 year-olds	
Soft drinks	43.4%
Total sandwiches	35.4
• Hamburgers/ cheeseburgers	24.9
French fries	32.1
Pizza	19.0
Chicken—all types	10.3
• Fried chicken	9.2
Ice cream	10.1
Side dish salads	6.7
Total breads	6.3
Other desserts	6.4
Mexican foods	4.3

Source: National Restaurant Association CREST survey

hamburger and pizza restaurants, are again the top choices of young consumers. In 1986, pizza places have come on strong and now have a larger slice of the market than they did in 1982—31.7 versus 25.1 percent. Hamburger fast food places, on the other hand, experienced a decline in their market share from 43.8 percent in 1982 to 40.0 percent in 1986.

Six to 17 year-olds eat more restaurant fare on the weekend than during the week. More than one-half of all eater occasions for this age group occur on Saturdays and Sundays versus 48.7 percent for the under six age group and 43.8 percent for the population overall. Dinner captures the largest share of weekend visits for six to 17 year-olds. In 1986, pizza quickservice restaurants captured 38.5 percent of total restaurant weekend dinner traffic for this age group—up substantially (12.5 percent) from 1982. Although quickservice hamburger restaurants also enjoy frequent visits from six to 17 year-olds at the weekend dinner occasion, their share of the market slid from 37.8 percent to 32.0 percent. Hamburger places have suffered some losses with this age group on weekdays as well, yet continue to hold the largest share of total visits for the dinner occasion.

What do kids eat?

Looking at a list of the foods children are most likely to order when dining in restaurants may not reveal anything new to most operators. It is common knowledge that kids like hamburgers, french fries, pizza and chicken. Children under the age of six show a greater preference for cold cereal, hot dogs, milk, fried chicken, french fries and juices than do consumers of all ages. Pizza, french fries, soft drinks, hot dogs, milk and ice cream are among the items six to 17 year-olds are more likely to order than are consumers overall.

What might come as something of a surprise, however, is that children are becoming more adventurous eaters. The intriguing taste of ethnic cuisines has not escaped the notice of young patrons. Mexican and Asian foods may still be ordered by children on a small proportion of total occasions, but that proportion is on the rise across all age groups. Young children, those under the age of six, have dramatically increased their orders for both Mexican and Asian foods. And pasta, a mainstay of many Italian establishments, has caught on with six to 17 year-olds. Breakfast sandwiches, rice and juice are other menu items that are becoming increasingly popular with children.

In sum

Catering to children is becoming increasingly important as more families call upon restaurants to prepare their meals. Flexibility is critical to successfully meeting the diverse needs of this dynamic market. Restaurateurs who are willing to adapt menus and service methods to accommodate parents and their children are sure to expand their loyal customer base. ❑

NUTRITI

How best to fee

by Claire Regan, R.D.

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If you are thinking of developing a children's menu, the time couldn't be better. The number of children under the age of 14 is growing. In 1985, this segment accounted for 20 percent of our population, and the number of children under the age of five is higher than at any time since 1960. Plus, adults seem to be receptive to menus for children. Seventy-two percent of the adults surveyed in the National Restaurant Association study, *Consumer Nutrition Concerns and Restaurant Choices*, strongly agreed that restaurants should offer meals specifically prepared for children (see ***Restaurants USA,*** October 1986).

Nutritional considerations

Menu planning for children does require special consideration. Although children require all essential nutrients provided by a balanced diet, they have some specific nutritional needs:

Energy. Children need a considerable amount of calories to support growth. While their energy needs are

Claire Regan, R.D., is research manager, nutritionist for the National Restaurant Association.

Serving the modern family: understanding required

by Candice Leonard

It's 6 p.m. on a weekday night. Mom and Dad have just arrived home from work, one of them stopping on the way to pick up the kids from day care and an after-school program. It's dinner time, but Mom and Dad are too tired to cook. So they decide to eat out someplace where adults and kids can have a choice of good quality food at reasonable prices—and some calm.

The restaurant needs of the modern family are simple: quality food in a stress-free atmosphere. These needs can be met by offering a wide choice of nutritious foods for adults and children—fresh fruit, green vegetables and broiled items—and family-sensitive service that encourages parental control over the experience.

Parents need to control what and when their children eat. This control is not only necessary for the child's physical well-being, but it is also necessary for the parents' emotional well-being.

Parental control helps ensure a stress-free meal. When families eat in restaurants, parents often give up the control they have over meals at home. Children recognize this, and so eating out often becomes an occasion for a power play and a renegotiation of rules regarding what and how much gets eaten. Family-sensitive service can go a long way toward giving parents control over the dining experience.

For example, children love to fill up on bread and butter while waiting for their dinner. If breads and rolls are routinely served, it is a good idea to ask whether the family wants them. If a parent orders milk for a child, it is inappropriate for the server to ask, "Will that be chocolate or regular?" It is the rare child who prefers regular milk to chocolate and posing the question in this way is almost guaranteed to lead to a clamor for the chocolate version. Moreover, bringing a child's beverage before the meal usually means the child will fill up on the beverage and not eat dinner. Parents will appreciate being asked when their child's beverage should be served.

Serving a child last—making him or her wait while others have started

Candice Leonard is an applied family sociologist and director of Familywise Associates, a consulting firm located in Somersworth, New Hampshire.

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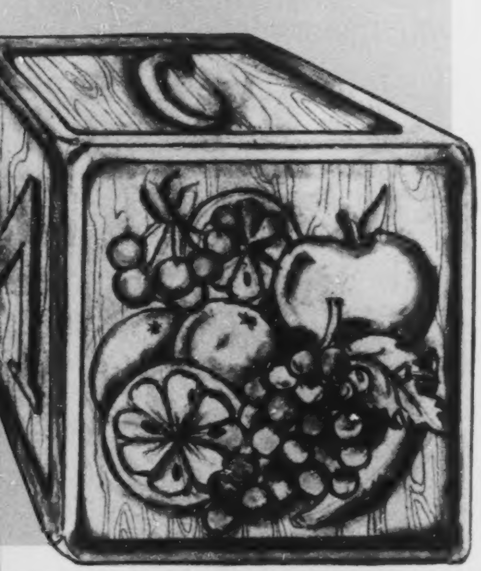


relatively high (see chart), their capacity for food is much smaller than that of adults. For this reason, frequent meals and snacks are an important part of a child's diet.

High energy does not mean high fat, however. Because there is a high incidence of heart disease in the U.S. population, the government's dietary guidelines urge that fats, especially saturated fats, and cholesterol be limited in our diets. This recommendation applies to youngsters as well as adults.

Calcium is essential for both bone mineralization (hardness) and bone growth; both increase during the first 20 years of life. Adequate childhood calcium intake is correlated with consumption of milk and milk products, as nondairy food contributes less than one-half of a child's calcium requirement.

Sodium. Children need considerably less sodium than do adults, yet they often eat the same foods. Consequently, most children consume far more sodium than they need.

Food sensitivities are more common in young children than adults. The most common allergenic foods for this population are cow's milk, eggs, soybeans, peanuts and other nuts.

Iron-deficiency anemia can affect a significant number of preschool age children. Many are vulnerable because they did not receive iron-fortified formula or cereal during infancy or because they favored milk over high-iron foods as toddlers. Because preschoolers' iron requirements are high relative to their caloric needs, they need iron-rich foods, such as meats, enriched breads and cereals, dried fruit, legumes and green, leafy vegetables. Vitamin C enhances absorption of iron from nonmeat sources, which is less efficiently absorbed than iron from meats.

Menu suggestions

Here are some menu suggestions that can help you offer more than the traditional hot dog, hamburger or grilled-cheese sandwich. Some of these selections are obviously more appropriate than others for toddlers eating with their fingers.

☐ Individual pizzas
☐ Sloppy Joes
☐ Macaroni and cheese
☐ Shish kebab (remove skewers before serving younger children)
☐ Pot roast
☐ Cheese and crackers
☐ Raisin-studded cottage cheese, sprinkled with cinnamon
☐ Sliced chicken or turkey breast
☐ Chicken or turkey drumstick
☐ Campfire stew
☐ Spaghetti with meatballs
☐ Scrambled eggs
☐ Hard-boiled eggs
☐ Salads (no dressing for finger diners)
☐ Cut raw vegetables
☐ Stuffed celery sticks (use cottage or cream cheese, peanut butter, tuna or egg salad)
☐ Corn on the cob
☐ Baked potatoes
☐ Baked beans
☐ Cole slaw
☐ Bread sticks
☐ Bagles
☐ Popcorn
☐ Graham crackers or vanilla wafers with peanut butter
☐ Fruit kabobs (remove skewers before serving younger children)
☐ Assorted dried fruit
☐ Fruited yogurt
☐ Oatmeal raisin cookies

eating—should be avoided. In fact, many parents would like the option of serving their children first.

By the age of 3 or 4, many children want every meal to be followed by dessert. However, parents often see dessert as a once-in-a-while treat. In any case, the family need not be reminded that it is dessert time. The mention of the word can start an intergenerational brawl! A simple, "Will there be anything else?" will get the idea across. The question of dessert can also be handled by having some healthful, nongooey aftermeal offerings, such as fresh (with no added sugar or syrup) fruit. A well-planned, health-conscious children's menu can let parents know about desserts they will gladly say "yes" to.

There are several important products that add to family-sensitive service. The first of these is the bendable straw. While it may seem trivial and unimportant, the bendable straw is so much easier for children to use than straight drinking straws. Children will often bend straight straws and be unable to drink. A child attempting to maneuver a glass with a straight straw into a usable position is more than likely to spill, break the glass or whine with frustration—all of which can be easily avoided. Related to the matter of spills and messes, parents will be glad to see extra napkins during the meal and the little moist towelette in the foil pack. Parents love these towelettes as much as the kids do, and they can easily be brought with the check at the end of the meal.

The most important ingredient for family-sensitive service is servers who are friendly but not chatty, and who are nonjudgmental and do not comment on or enter into the family interaction. Family-sensitive service means making the family feel welcome and comfortable.

Menu planning for children

Not only do children's nutritional requirements differ from adults, their food preferences and feeding skills differ as well. These must be taken into account when planning menus for children.

Food preferences. Some common assumptions about children's food preferences are accurate while others are based on misconceptions. For example, preference for mild foods is not universal among children. Youngsters tend to favor foods that are familiar, regardless of their seasoning. In fact, children tend to be more sensitive to temperature and texture than to flavor. Children seem more receptive to lukewarm or room temperature foods than to foods that are extremely hot or cold. Soft, fluffy foods, such as mashed potatoes or pudding, are more popular than are heavy, sticky items. And crisp vegetables (raw or cooked but still firm) stand a better chance than their soggy counterparts.

Another questionable assumption is that children are more receptive to plain foods. This is debatable given their acceptance of mixed dishes, such as macaroni and cheese, pizza, spaghetti with meat sauce, stews and casseroles.

Presentation. The presentation of food tends to influence its acceptance by children. Finger foods are popular, especially for one to four-year-olds who are not proficient with utensils because of their limited muscle coordination. Finger eating also allows exploration of texture, a normal component of child development.

Large portions tend to overwhelm young diners. For preschoolers a rule of thumb for portions is one tablespoon for each year of age. Utensils and dishes, too, should be scaled down. Salad forks and small spoons are suitable and are easier to use when food is served in a deep dish or one with compartmental dividers. Small cups are a better fit for small hands, and chances of spillage are reduced when cups are only partially filled.

Cute foods (for example, those shaped like dolls, boats, animals, etc.) can confuse children. Because they appear "fun," children can be reluctant to eat them. It is better to reserve the games and toys for the menu or post-meal giveaways.

Portions should be served ready to eat whenever possible. For instance, cut meals into bite-size portions, shell hard-boiled eggs, butter toast, insert straws into beverages and apply condiments to hamburgers or hot dogs.

Menu items. When developing children's menus, limit the selection because school-age children reading the menu have short attention spans. Be sure to make the selection titles familiar so the child can relate to the foods offered.

The traditional meal component—appetizer, entree, vegetable, potato, dessert and beverage—will not always work with this audience. An acceptable meal could be sliced cheese, breadsticks, a fruit kabob and a glass of low-fat milk. Do not be afraid to offer foods that may seem inappropriate for the meal period. For example, dried cereal may appeal to a fussy eater at lunch or a toasted peanut butter sandwich could be a hit at breakfast. ❑

Nutrient requirements

	1 to 3 year-olds	4 to 6 year-olds	7 to 10 year-olds	Adults*
Calories	1,300	1,700	2,400	2,000–2,700
Calcium**	800	800	800	800
Sodium**	325–975	450–1,350	600–1,800	1,100–3,300
Iron**	15	10	10	10–18

**Based on needs of those between 23 and 50 years of age*
***milligrams*
Source: National Academy of Sciences, *Recommended Dietary Allowances*, Ninth Edition, 1980

by Linda Durling

By 1990 there will be about 23 million of them. Twenty-three million wiggly, giggly, squirmy little beings, all under the age of six. Don't be fooled by their size. These preschoolers are a force to be reckoned with. Their tiny voices can be very persuasive. When little Bobby and Suzy find a restaurant that treats them right, they will be sure to let their parents know.

One way that restaurants have catered to these youngsters—and their working parents—is to provide entertaining menus that occupy the children's attention during the before-dinner wait. As the entries in this year's Great Menu Contest demonstrated, these menus are far more colorful and engaging than ever before.

MENUS

Ways to keep kids busy before the meal arrives

THE PITTSBURGH ZOO COUNTRY!
EAT 'N PARK

Eat 'N Park

Three winners up close

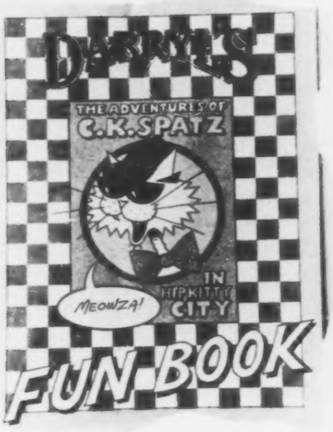
All three winners in the specialty category of the 1987 Great Menu Contest were children's menus. Winning first place was the menu developed by TGI Friday's, a 116-unit national chain headquartered in Addison, Texas.

Called " Ff is for Friday's Big and Little Children, " the menu is 8 inches wide and 9¾ inches high. It consists of nine four-color cardboard pages (with selections on the front and back) that feature different letters of the alphabet, each highlighting a specific entree, beverage or dessert. Fanciful illustrations are the signature of this menu. Children not only read that "Kk is for Kid's Shrimp", for example, but they also see a childlike drawing of a little shrimp riding a bicycle. (The shrimp, with its impish grin, wears a baseball cap.) Farther on in the menu, under the heading "Dd for delicious drinks," kids delight in the leopard lady that invites them to try the drink that blends "chocolate chips, orange sherbet and vanilla ice cream for a roaring good time" or in a large banana attacking a city, to illustrate the "Banana Kong—a colorful, fruity drink of strawberries, bananas, orange sherbet and vanilla ice cream."

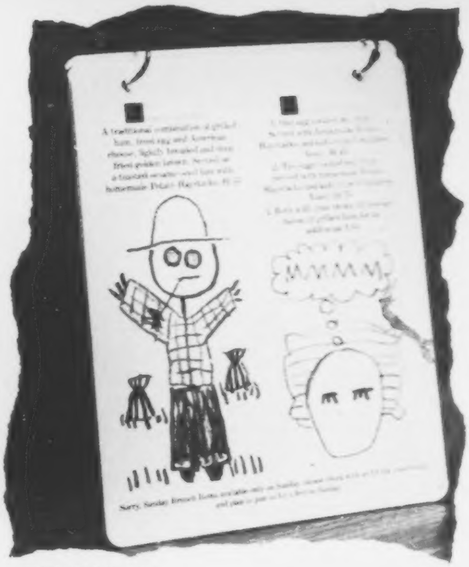
The vibrant menu, held together in a flash card fashion with metal rings, is the first menu T.G.I. Friday's has developed solely for children. Before its creation three years ago, entrees for kids only merited a small section on the adult's menu.

Lindy Groom, director of marketing at TGI Friday's, said the restaurant made the switch to the children's menu to help bring more children into the restaurant. He says the effort has paid off with increased traffic and positive customer feedback. Although the price of producing each menu is high ($6.35), the two-ring binder design permits specific pages to be replaced when entree selections change, without having to throw away the whole menu. Further, says Groom, the cardboard is sturdy and lasts longer than many lighter-weight menus. These factors lead to long-term savings.

Linda Durling is a freelance writer in the Washington, DC, area.



Darryl's



TGI Friday's

Flip books, gift boxes

Eat 'N Park, a 46-unit family restaurant chain in western Pennsylvania, has been experimenting with children's menus for about eight years. Almost every year the chain changes its menu concept to keep children interested and excited in its restaurants.

The present oversized menu (8¾ inches wide by 14½ inches high) is a four-color, four-page laminated rendition of the "Land of Good Food." The cover, a map, opens to reveal food items turned into familiar landscape images. Everything in the picture is made of food—from the "dessert island" with its hot fudge falls and sundae mountain to the hot dog submarine and pizza boat with a grilled cheese mast to the mainland featuring mountains made of hamburgers, a river of lemonade, chicken fillet ledges, broccoli and celery trees and a chili pond. In short, the imaginative drawing invites discovery for both children and parents during the trying before-meal waits. The menu, printed over the illustration, echoes the visuals.

Despite its appealing features, this Eat 'N Park menu is more traditional than the concept the chain has tried in the past. Flip books and gift menu boxes were popular precursors used a few years back. Both of these more unusual menus won awards in the 1987 Great Menu Contest; the flip books took second place; the gift boxes took third place.

The thumb-size flip books were 3 inches by 2 inches. Children could hold the 24-page, four-color books and flip through to see a moving scene. For example, the Christmas flip book showed how a bare fir tree made friends with a star and then transformed into a Christmas tree. Starting at the back of the book and flipping forward, children could see the menu selection.

The 3 by 4-inch rainbow-colored gift box called "Eat 'N Play" featured 12 attached cardboard panels that unfolded into a strip of fun activities on one side and colorful entree descriptions on the other side. Depending on the season, a different theme was portrayed through games, riddles and illustrations. In a November version, for example, the theme of Thanksgiving dominated. Two of the panels showed an illustration of Thanksgiving, circa 1623. But amidst the pilgrims' and Indians' historic feast were scattered accoutrements of modern-day America. The young guest was asked to identify "What wasn't here then?" The answers included a telephone, toaster and television.

A maze on another panel asked kids to help cartoon children find their way to Fort Pitt Block House, a Pittsburgh area site, and the riddle page asked such titillating questions as, "What was the most popular pilgrim music?" The answer: "Plymouth Rock."

Even after all the activities were completed, the fun wasn't over. The individual panels could be separated and, using preformed notches, built into houses or other structures.

According to Basil Cox, vice president of marketing for Eat 'N Park, these menus, which were created in conjunction with the Pittsburgh-area Family Communications Company, were designed to be rewarding to children on an emotional level, a learning level and an experience level. And they were successful. However, the menu boxes were discontinued because of high cost.

Other notable entries

☐ **Masks.** Banana's, a 275-seat restaurant in Boulder, Colorado, has had great luck with its menu, which features a banana in a space helmet on one side and a listing of entrees and questions about space exploration on the other side.

At 10 cents per unit, the menu is inexpensive enough that owner Wayne Dozier is happy to have his pint-sized customers take them home as a souvenir.

The black, khaki and yellow mask is easy to wear. The eyes are cut out, the nose is perforated and an elastic band is attached. Older youngsters, not interested in playing make-believe with the mask, can challenge themselves with the space exploration questions. For example, they are asked, "How many bananas, laid end to end, would you need to reach the sun?"; "If you could throw a banana 30 feet in the air on earth, how far could you throw it on the moon?"; and "If a bunch of bananas weighed six pounds on earth,

how much would the same bunch weigh on the moon?"

Dozier said a graphic artist friend designed the mask for him seven or eight years ago. The artist also came up with the questions and answers. The menu has been so successful that Dozier has not felt the need to change the format. "Children love it! You see all the little kids walking out of the restaurant with the masks on," he beams.

☐ **Hats.** Children dining at one of Grisanti's five Italian family-style restaurants across the country have the opportunity to play "chef" during their mealtime. The 15-month-old chain of restaurants, headquartered in Louisville, Kentucky, provides children with a menu that can be turned into a chef's hat.

The 2-foot wide and 8½-inch high black and white menu can be fitted around a child's head by inserting a tab into a slot. Suddenly the child feels like a professional chef. "They feel they are part of the restaurant," explains Michael Sodofsky, director of marketing for Grisanti's.

Young guests also receive two crayons to color on the front side of the hat (which includes the menu) and to solve the puzzles on the back side.

Eat 'N Park

One puzzle asks children to make their way through a spaghetti maze to reach a meatball. Another asks them to find the words *pasta, Italy* and *pizza,* in a word puzzle. And a third asks them to unscramble a sentence (Eating at Grisanti's is fun). There is also space for five tic-tac-toe games.

☐ **Comic books.** Darryl's, a 27-unit chain in the Southeast, combines a comic book format with games. Darryl's "Hip Kitty" is "Cool Cat K-Spatz," as the eight-page menu explains, and he leads the children through various activities.

On one page he "sings cool jazz tunes and hip little ditties" and the child reader is asked to "connect the dots for his back-up kitties!" On other pages children are asked to circle items that are blue in real life and to find a matched set in a group of nine pictures of C. K. Spatz in various striped and polka-dotted outfits.

According to Linda Benedict, Darryl's marketing manager, the comic book menu represents the end stage of an evolution. In the past few years the chain switched from a standard coloring book to a placemat to the "Hip Kitty" comic/fun book, which started in January 1987. "This format is a little more expensive, but we're getting great feedback," Benedict says. "Plus, it keeps the 10-year-olds and under busy."

Darryl's also gives children a little box of crayons and a balloon. She says children react well to this special treatment.

☐ **Placemats.** Finley's American Restaurant, a three-unit family restaurant in Michigan and Pennsylvania, switched three years ago from a coloring book to a placemat format for its children's menus. The 10-inch by 14-inch placemat, called a "Doodle page," displays birds and large animals engaging in whatever play fits the season. There are mazes, puzzles or dot-to-dots for children to solve and an unusual feature is a "how to draw" panel which gives young patrons a hand in drawing one of the featured animal characters.

Kim Hunt, assistant director of marketing, says Finley's changes the menu five times per year to reflect the season. The winter menu, for example, asks children to draw a face on a snowman, help "Millie find the skating pond" through a maze, and teaches children how to draw the insect "Ollie."

Kids' menus should be for patrons 9 years old and younger

Children's menus should be geared toward the 9-year-old and younger age group, says consultant Norma Grey, president of Foodcrafters Foodservice Consultants, consulting in Burke, Virginia, and judge in the 1987 Great Menu Contest. "Most restaurants put an age limit of under 12 on their children's menu, but most of the 10 to 12 year-olds would rather order from the adult menu—which is better for the restaurant check average," Grey says. The solution: "Scale to younger children in both menu selections and design. It's the smaller children you want to keep busy," she says. It's also the younger children who are more likely to share a meal with their parents if there isn't a smaller portion size available. Gearing to younger children means offering simple activities, such as connect-the-dots or finding a way through a maze and offering fun finger foods.

Children's menus should be inexpensive and disposable, she adds. "If they are not, the premise is almost undone," she says. In her mind, the restaurant owners should feel comfortable with children handling, playing with and drawing on the menus and then taking them home after dinner as a souvenir of the great time they had.

Hunt says the restaurants switched from a coloring book to the vertical doodle page because it is more cost-effective and immediately engaging.

In sum

Many restaurants are already reacting creatively to the baby boomlet of the 1980s. Dots to connect, images to ponder, mazes to solve, jokes to giggle at or cool cats (and hip kitties) to read and color are just some of the ways operators are designing menus to attract children (and the parents who come along with them) without sacrificing decorum or the enjoyment of childless patrons. ❑

BOARDROOM

Johnson & Wales honors Balestreri

Johnson & Wales College recently honored National Restaurant Association Past President Ted J. Balestreri (Sardine Factory, Inc.; Monterey, CA) with an honorary doctor of business administration degree in hospitality management.

Balestreri received this latest honor at the commencement exercises of the Culinary Arts Southern Division Branch campus of Johnson & Wales College in Charleston, South Carolina.

Johnson & Wales President Morris Gaebe confers honorary degree on Association Past President Ted J. Balestreri. From left to right are Gaebe; Walter Anhalt, director of the college's Culinary Arts Southern Division Branch Campus, Balestreri and John A. Yena, executive vice president of Johnson & Wales.

When conferring the award, Johnson & Wales President Dr. Morris Gaebe said, "You are a leading figure in America's hospitality industry. While cultivating your own personal business interests, you have advanced your industry—our industry—to the prominent position it now holds in the United States."

Balestreri is the co-owner of the Sardine Factory, which opened with 72 seats in 1968 and now is the recipient of a number of industry awards. Some of the more prestigious include the Ivy Award, the Travel/Holiday Magazine Award since 1971, the Mobil Travel Guide Award and the honor of being one of 50 restaurants to participate in the "Taste of America" at President Reagan's inaugurations in 1981 and 1985.

Elmont speaks out against mandated parental and medical leave

National Restaurant Association Director Stephen E. Elmont (Creative Gourmets, Ltd.; Boston, MA) recently spoke out against S. 249, the Parental and Medical Leave Act introduced by Sen. Christopher Dodd (D-CT). If enacted, S. 249 would require employers to provide parental and disability leave of up to 44 weeks while continuing health benefits and guaranteeing a job upon return.

In testimony before the Subcommittee on Children, Family, Drugs and Alcohol of the Senate Labor and Human Resources Committee, Elmont testified that such a broad government mandate neglects to consider the individual circumstances of each employer and the particular needs of the employer's work force. S.249, he said, "needlessly drives up costs for benefits, and worst of all, undermines the current trend toward flexible benefit policies."

Elmont pointed to recent private sector initiatives such as alternative work schedules, flextime, reduced work weeks, job-sharing, part-time employment, child and dependent care programs, employee-assistance programs and flexible benefit plans.

Describing the potential effect on his own operation, Elmont explained that the proposed bill would disrupt operations, upset recruitment and training and could lead to as many as 20 to 30 employees going on leave at one time.

Elmont spoke on behalf of the Association and the Concerned Alliance of Responsible Employers (CARE). The National Restaurant Association is one of the founding members of CARE, a group of more than 150 organizations actively seeking to ensure that the current voluntary system of benefit structuring remains in place.

Grisanti tells media: Rise in minimum wage hurts poor

Michael J. Grisanti's (Grisanti, Inc.; Louisville, KY) new responsibilities as chairman of the board and president recently took him to the editorial boardroom of the *Wall Street Journal* (Grisanti is scheduled for a media tour of Chicago later this month).

Grisanti carried with him *The Minimum Wage Research Review*, a summary of major recent studies on the effects of minimum wage laws. He also presented the association's position that a minimum wage rise fails to help the working poor. With only one in 10 minimum wage earners classified as members of poverty-level households, research indicates that an increase in the minimum wage affects middle class youth and spouses of heads of households, he said. In fact, Grisanti pointed out, an increase in the minimum wage forces employers to decrease the number of work hours available to entry-level and part-time employees, thus eliminating the jobs of at least some current minimum wage earners.

"In general the public is predisposed toward raising the minimum wage," Grisanti told *Wall Street Journal* editors and reporters. "But that is because they have not analyzed the argument, studied the demographics and considered the effects of a proposed increase. We look to you, the media, to educate the public on the error of this well-intentioned but misguided legislation."

Association Vice President Jim L. Peterson (Whataburger, Inc.; Corpus Christi, TX) and other members of the board of directors are visiting the media in other major media markets.

Grisanti invites all members of the association to join in this effort. Members interested in serving as spokespersons should contact the association's Communications Department, 311 First St., N.W., Washington, DC 20001; (202) 638-6100 or (800) 424-5156.

Elmont and Maynard win silver plates

National Restaurant Association Directors Steve Elmont (Creative Gourmets, Ltd.; Boston, MA) and James H. Maynard (Investors Management Corporation; Raleigh, NC) were among the nine foodservice professionals to receive the International Foodservice Manufacturers Association's (IFMA) 1987 Silver Plate Award.

In existence since 1955, IFMA's prestigious plate award honors outstanding operators representing nine areas of foodservice: business and industry; chain, fast food; chain, fullservice; colleges and universities; contract food management; elementary and secondary schools; health care and public institutions; hotels and lodging and independent restaurants.

Elmont, a member of the association's board since 1984, won in the contract food management category. Maynard, a board member since 1983, won in the chain, fullservice category. (Investors Management Corporation is the holding company for the Golden Corral chain.)

Each year one silver plate award winner is selected to receive IFMA's Gold Plate Award and the title of Foodservice Operator of the Year. Gold and Silver Plate winners are selected by a jury of foodservice trade publication editors and the previous year's Gold and Silver Plate winners. Joseph Baum, restaurateur/consultant of the Joseph Baum Company and creator of such restaurants as the Four Seasons, Windows on the World and Aurora in New York City, received the 1987 Gold Plate Award.

Fisher's Law #84

How to choose a lawyer

Every business organization needs the assistance of professionals and specialists, such as accountants, lawyers, advertising agencies and others, to look after activities beyond the scope of its generalists. Selecting a lawyer or a law firm is a particularly challenging task, and, having done it on a number of occasions, I have developed some keen insight into the selection process and lawyer/client relationship. With humility, I'm glad to share these "rules" with you.

1. You must realize that lawyers work very hard. Although their definition of "work" may be a little different from yours, I have been told by many lawyers that when they are at the club, the golf course, pool, tennis courts, on a fishing trip or with a companion at a warm water sun spot in the dead of winter, they are really working. Such dedication is rare these days.

2. Because lawyers thrive on challenges, you should select one for whom your situation represents a challenge. For example, if you want to acquire or merge a business, you may want to consider a good divorce lawyer. If you have a problem involving labor relations, an estate lawyer may be the answer; or if your problem concerns a fringe benefits matter, someone well versed in copyright law should be considered. Those things would really be challenging to the lawyer(s) you select, and that will cause them to work long and hard on your behalf.

3. Because lawyers also thrive on controversy, you may want to select a controversial lawyer. If his/her name is in the paper all the time, you can tell your friends, "That's my lawyer." If your lawyer does not have a very good reputation, you may be able to save on expenses. I have found that disbarred lawyers are the least expensive, and they are usually most anxious to do something right.

4. Always put your lawyer on a retainer; never ask him/her to bill you by the hour. Yes, it is true that some lawyers on retainer will ask you for more money because new situations arise that were not contemplated when the retainer agreement was struck, but that is just a sign that you must be getting more successful to be involved in all these legal matters. How exciting!

5. Never give your lawyer all the facts. A good lawyer will discover the facts anyway. (That's a good test for the lawyer.) Besides, the lawyer working *for* you today could be the lawyer working *against* you tomorrow, and you don't want to give away all your secrets.

6. Never maintain a relationship with a lawyer for more than two years. Fire him/her. Most lawyers are intellectually arrogant anyway, and such a move will put that lawyer in the proper place. You can always get another lawyer; there are so many of them these days.

7. Let your lawyer entertain you lavishly. He/she should be grateful for your business, so enjoy being entertained. Don't worry, the tab will never come back to you in the invoice you receive with a mark-up.

8. Never demand an accounting. Lawyers will charge you for the time they spend on your behalf; and if they spend a lot of time tallying up how they have spent their time for you, they could develop a multi-page invoice. Because you don't want to pay for having your own invoice calculated, do not request an accounting.

9. If you ever go to court or enter negotiations, etc., be sure you do the talking. You will want to let everyone know you are your own person and, therefore, don't need someone else speaking for you. Everyone considers a lawyer to be a "mouthpiece" anyway. It's "expected" that your lawyer will be at certain forums, that's why he/she should be in attendance, but you should be doing the talking and giving the guidance to the lawyer.

10. Consider using a paralegal rather than a fully credentialed attorney. Paralegals generally know more about the law anyway; they are more humble and less expensive.

Fisher's Law #84: *Lawyers beget lawyers, who beget issues, which beget expenses. Try to forget them, rather than beget them.* Whoops, I have to go now. My lawyer is here.

Restaurant beverage trends

Who drinks what, where

Beverage choices are changing at fast food and tableservice restaurants. Although soft drinks continue to be the beverage of choice at both types of establishments, other beverages, especially tea and bottled waters, are making gains. Alcoholic beverage consumption has declined but seems to have bottomed out in 1984.

Who drinks soft drinks in restaurants? How much coffee on average does a restaurant patron consume in one year? What's happening to alcoholic beverage consumption away from home? To answer these and many other frequently asked beverage trend questions, the National Restaurant Association commissioned a special study to investigate consumer beverage choices in 1986 and examine how they have changed since the beginning of the decade.

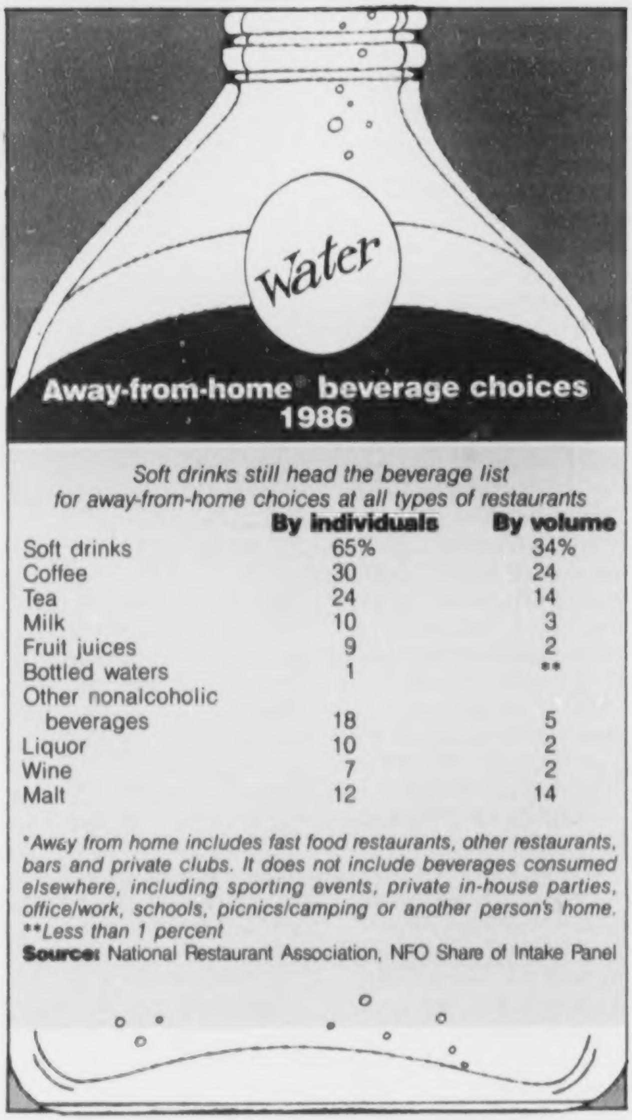
The data obtained from National Family Opinion's Share of Intake Panel (SIP) shows who is drinking which beverages, where they are consumed and how much is being consumed.

Beverages included in the study were soft drinks, coffee, tea, milk, fruit juices, bottled waters, other nonalcoholic beverages,* liquor, wine and beer.

Drinking patterns have changed

An analysis of SIP information indicates that consumers have altered their away-from-home** beverage consumption patterns between 1980 and 1986. At fast food restaurants, soft drinks still dominate consumer beverage orders although the total volume of soft drink consumption has slipped as some individuals have switched to tea. Tea consumption at restaurants other than fast food is also growing rapidly. Bottled water consumption is up dramatically but still represents less than 1 percent of total away-from-home consumption. The volume of alcohol consumption, while down from 1980, has risen somewhat since 1984, indicating that the decline in alcoholic beverage consumption at restaurants has bottomed out.

The analysis of away-from-home beverage consumption is based on two different measures: (1) the total volume or ounces consumed and (2) the number of drinkers consuming a beverage. The number of drinkers, referred to as penetration, is a measure of product appeal while the volume shows the total consumption that a particular beverage attracts. Since both of these measures may be examined on a demographic basis, such as age and sex, the SIP data provide information on who is consuming each beverage.



Away-from-home* beverage choices 1986

Soft drinks still head the beverage list for away-from-home choices at all types of restaurants

	By individuals	By volume
Soft drinks	65%	34%
Coffee	30	24
Tea	24	14
Milk	10	3
Fruit juices	9	2
Bottled waters	1	**
Other nonalcoholic beverages	18	5
Liquor	10	2
Wine	7	2
Malt	12	14

**Away from home includes fast food restaurants, other restaurants, bars and private clubs. It does not include beverages consumed elsewhere, including sporting events, private in-house parties, office/work, schools, picnics/camping or another person's home.*
***Less than 1 percent*
Source: National Restaurant Association, NFO Share of Intake Panel

Soft drinks top overall consumption

Soft drinks are the undisputed leader in terms of number of drinkers (penetration). In 1986, more than twice as many beverage consumers ordered soft drinks as coffee. About 25 percent ordered tea, 10 percent milk, 9 percent fruit juices and 1 percent ordered bottled waters. Alcoholic beverages were ordered by 22 percent of drinkers, with malt beverages contributing over one-half of these orders. (Note: These figures add up to more than 100 percent since one person could order more than a single beverage.)

Examination of the volume of beverage consumption also shows that soft drinks ranked first in 1986. Soft drinks claimed 34 percent of the volume, coffee captured 24 percent and tea and malt beverages tied for third place at 14 percent each. In terms of volume,

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**Includes chocolate/cocoa, milkshakes/malts, fruit drinks and powdered soft drinks.*

***Away-from-home refers to fast food restaurants, other types of restaurants, bars and private clubs. It does not include beverages consumed elsewhere, including sporting events, private in-house parties, office/work, school, picnics/camping or another person's home.*

Beverage consumption at fast food restaurants, 1986

Tea was the growth leader at fast food restaurants between 1980 and 1986, but in 1986 it represented only 8 percent of the total volume share

	By individual	**By volume**
Soft drinks	74%	63%
Coffee	14	12
Tea	10	8
Milk	6	3
Fruit juices	5	2
Other nonalcoholic beverages	17	10
Alcoholic beverages	2	2

Source: National Restaurant Association, NFO Share of Intake Panel

Beverage consumption at tableservice restaurants, 1986

In terms of volume, coffee is the beverage of choice at restaurants other than fast food; in terms of penetration, soft drinks take the lead.

	By individual	**By volume**
Nonalcoholic beverages		
Soft drinks	44%	22%
Coffee	37	37
Tea	29	23
Milk	9	3
Fruit juices	8	2
Bottled waters	1	*
Other	10	3
Alcoholic beverages		
Liquor	10	1
Malt	9	6
Wine	9	3

*Less than 1 percent

Source: National Restaurant Association, NFO Share of Intake Panel

nonalcoholic beverages constituted 82 percent of the total away-from-home consumption in 1986 while alcoholic beverages claimed 18 percent.

Demographic differences

According to SIP data, men generally consume a greater volume of beverages than do women. In 1986, males consumed almost a 58 percent share of the total away-from-home beverage volume compared to 42 percent for females. However, this proportion varies when individual beverages are examined.

Males consumed almost a 60 percent share of the milk volume in 1986 but only 43 percent of the bottled water volume. Both men and women have almost a 50 percent share each for wine consumption. Males dominated beer consumption, with a 78 percent share.

Consumption by restaurant type

In 1986, fast food restaurants claimed more than 31 percent of the volume for away-from-home beverage consumption. Tableservice restaurants grabbed a 52 percent share while bars and clubs garnered 17 percent.

□ **Fast food.** Seventy-four percent of consumers who ordered beverages at fast food restaurants in 1986 ordered soft drinks. Coffee placed second in orders at 14 percent. Examining consumption by volume, shows that soft drinks dominated beverage choices with a 63 percent share followed by coffee with a 12 percent share.

SIP information indicates that compared to 1980, fewer consumers are ordering coffee at fast food restaurants. They are opting for soft drinks and tea instead. Tea was the growth leader at fast food restaurants between 1980 and 1986, but in 1986 it still represented a modest 8 percent share of total volume.

□ **Tableservice restaurants.** As with fast food restaurants, soft drinks dominated beverage orders at tableservice restaurants in terms of penetration (44 percent). Coffee and tea, however, gained in prominence at these establishments (37 percent and 29 percent, respectively). In addition, alcoholic beverages garnered 28 percent of orders.

When beverage consumption at restaurants other than fast food is examined in terms of volume of consumption, coffee advances ahead of both tea and soft drinks—37 percent versus 23 and 22 percent, respectively.

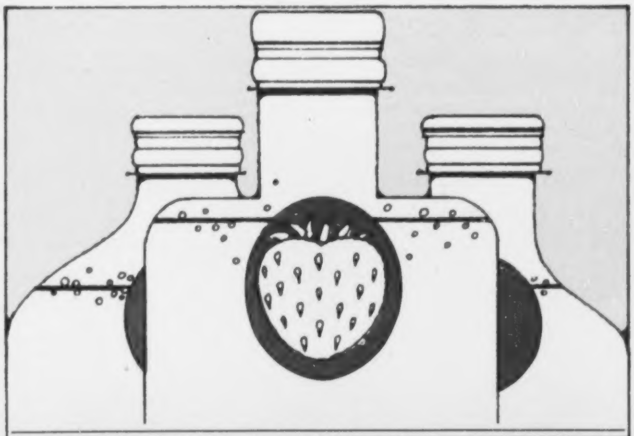
Men account for more than 50 percent of the volume consumed in eight out of ten beverage categories. Men consumed more than 80 percent of the volume of beer or malt beverages, 63

Index of alcoholic beverage consumption at tableservice restaurants, by volume

The volume of total alcoholic beverage consumption bottomed out in 1984

	1980	**1982**	**1984**	**1986**
Total consumption	100	88	80	85
Liquor	100	82	84	78
Wine	100	94	96	93
Beer	100	87	73	83

Source: National Restaurant Association, NFO Share of Intake Panel



Volume of tableservice restaurant beverage consumption, 1986

In 1986, bottled waters were the beverage of choice for females; malted drinks topped the list for males

	Percent share of beverages ordered	
	Male	**Female**
Nonalcoholic beverages		
Fruit juices	63.4%	36.6%
Milk	62.2	37.8
Coffee	58.0	42.0
Tea	56.8	43.2
Soft drinks	48.8	51.2
Bottled waters	26.2	73.8
Alcoholic beverages		
Malt	80.4	19.6
Liquor	60.9	39.1
Wine	54.9	45.1

Source: National Restaurant Association, NFO Share of Intake Panel

percent of the fruit juice, 62 percent of the milk and 61 percent of the liquor. Females lead in the volume of bottled water consumption with a 74 percent share.

Bottled waters show the most spectacular growth among all tableservice restaurant beverages. Since 1980, the number of restaurant patrons ordering the beverage has grown more than four times, and the volume of consumption jumped almost fivefold. Despite this dramatic growth spurt, the total volume of bottled waters consumed away from home in 1986 still represented less than a one percent share of total away-from-home consumption.

While tea has always been a well-established beverage at restaurants, this drink is gaining new popularity and growth. From 1980 to 1986, the number of individuals ordering tea at tableservice restaurants advanced by 8 percent while total volume jumped 33 percent. In part, this change is due to the increased consumption of tea by males. During this period, males increased the volume of their tea consumption by more than 50 percent at these establishments, but they cut back on their coffee and milk orders.

Females are also ordering more tea and bottled waters but less liquor.

What's happening to alcohol?

An examination of alcoholic beverage consumption at restaurants other than fast food between 1980 and 1986 shows an overall decline in volume consumed. If consumption in 1980 is used as the base year and set equal to 100, the volume of alcoholic beverage consumption by 1984 dropped approximately 20 percent. But, when 1984 is compared to 1986,

What is SIP?

The purpose of National Family Opinion's Share of Intake Panel (SIP) is to monitor the consumption of all beverages both at home and away from home. Every week, approximately 200 households are selected from National Family Opinion's panel base of 350,000. These households, which are balanced to match the latest Bureau of the Census information, are mailed a diary to record information on the entire household's beverage consumption over a two-week period.

Applicable data collected through the use of the SIP diary includes sex, age and income of the beverage consumer; where consumption occurred; type of beverage consumed; and, most importantly, total volume in ounces of the beverage consumed.

Panelists are instructed how to accurately measure the volume of their beverage consumption, especially when away from home.

Two components affect total consumption of a beverage:(1) the number of individuals drinking the beverage and (2) the volume which is drunk. The total volume of a beverage consumed is directly related to the number of individuals drinking the beverage (penetration) and the volume consumed by each drinker (ounces per drinker). For example:

Volume	=	**Number of drinkers**	×	**Volume per drinker**
Beverage X 100 ounces	=	20	×	5
Beverage Y 100 ounces	=	5	×	20

This example demonstrates that beverage X and beverage Y have identical volume consumption but vastly different consumption characteristics.

As a result, it is possible to obtain an accurate measure of who is drinking which beverages and how much. Comparing SIP information from year to year permits insights into the changing beverage preferences of away-from-home consumers.

Where customers are drinking

	1986	
	Gallons consumed (000)	Percent of total
Tableservice restaurants	1,007,480	52%
Fast food restaurants	608,432	31
Bars and clubs	328,712	17
Total	1,944,624	100%

In 1986, consumers drank more than 1.9 billion gallons of beverages away from home. Where did this consumption occur? Over half was consumed at table-service restaurants while fast food restaurants snared another 30 percent. Bars and clubs claimed the remainder.

Since 1980, the gallons of beverages consumed away from home has risen by 1.5 percent. Restaurants and bars and clubs advanced 3 percent during this time frame while the gallons consumed in fast food restaurants declined by more than 1.5 percent.

In 1986 the most popular away-from-home beverages were soft drinks (661 million gallons), coffee (462 million gallons), tea (279 million gallons) and beer (280 million gallons).

consumption edged up 5 percent, indicating that the decline in alcohol consumption at restaurants has probably bottomed out.

Liquor, wine and beer exhibited different consumption patterns in the six-year time period. All three beverage categories posted volume declines. Beer experienced a 27 percent loss, but regained 10 percent between 1984 and 1986. Wine experienced a modest 6 percent decline between 1980 and 1982 but has maintained its volume at approximately 1982's level; this has been aided by the increasing popularity of wine coolers. Liquor posted the largest percent decrease in volume among the three beverage categories—down 22 percent since 1980. Fewer men over age 35 and fewer women of all ages are ordering liquor in restaurants.

In sum

Between 1980 and 1986 there have been major changes in away-from-home beverage consumption. Fast food restaurant orders for tea and soft drinks have increased while coffee orders have dropped. At tableservice restaurants, orders and volume for tea and bottled waters climbed while liquor and milk declined. The volume of beer, wine and liquor consumed at tableservice restaurants posted a loss over the 1980 to 1986 period, but the decline of alcoholic beverage consumption at restaurants appears to have bottomed out in 1984.

—Hudson Riehle

Beverage Study Results

Market strong for mocktails, wine sales

This article summarizes some of the findings of the 1987 beverage study, Beverage Preferences: A Consumer Attitude Survey, *conducted by the National Restaurant Association. The study, a national telephone survey of 1,200 individuals, identifies consumer attitudes and behavior concerning beverage consumption in restaurants.*

Although recent data on beverage consumption indicates that alcohol consumption away from home has bottomed out and is beginning to rise (see the article on restaurant beverage trends in this issue), consumer concerns about drunk driving are unlikely to diminish. In fact, among the restaurant goers polled in *Beverage Preferences: A Consumer Attitude Survey,* 34 percent order alcoholic beverages less often now than in the past. Only 8 percent order them more often. Concern about drunk driving is cited by 17 percent of these less frequent drinkers as the reason why they now consume less alcohol at restaurants. But the primary reason, mentioned by 38 percent, is that they no longer enjoy alcoholic beverages. Twenty percent of consumers who are drinking less indicate health reasons as the cause, and 12 percent note the high cost of drinks. Only 5 percent of these restaurant patrons mention calories or weight control as the motivating force behind their decreased consumption of alcohol.

Almost 40 percent of consumers never drink alcoholic beverages at restaurants or eating places. As with those who are drinking less, the majority of these nondrinkers simply do not enjoy alcoholic beverages. An additional 22 percent have just never ordered alcoholic drinks at restaurants. Eighteen percent cite health reasons for not drinking, and the percentage is higher for those consumers 45 and older. Religious beliefs prevent 12 percent of restaurant customers from consuming alcoholic beverages away from home. Concern about drunk driving influences only 4 percent.

According to the association study, restaurateurs may be able to recoop some of the drop in alcoholic beverage sales. Study results indicate that there is a market for nonalcoholic cocktails (also known as mocktails) and opportunities for increased wine sales.

According to the study, nonalcoholic cocktails are the most preferred variety of traditional alcoholic beverage served without alcohol. Twenty-two percent of the respondents are very or somewhat likely to order such a drink at a restaurant, compared to 17 percent willing to try nonalcoholic wine and 13 percent willing to order nonalcoholic beer.

The major market for nonalcoholic cocktails appears to be among 18 to 24-year-olds. Thirty-six percent of these restaurant patrons are likely to order a mocktail compared to only 15 percent of those 45 years old and older.

This pattern parallels that found among consumers of alcoholic beverages in restaurants. Sixty-two and 72 percent of age groups 18-to-24 and 25-to-44, respectively, are likely to order alcoholic beverages. In contrast, less than 50 percent of the 45 and older crowd would ever order an alcoholic drink, suggesting that the market for nonalcoholic beverages is the same as the one for alcoholic beverages.

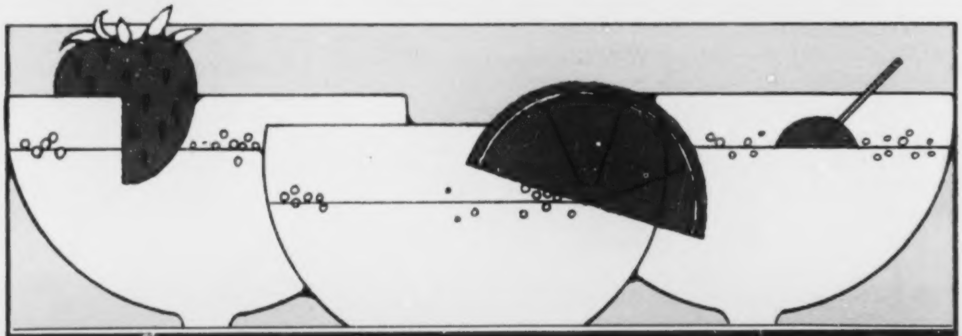
The likelihood of ordering nonalcoholic cocktails also varies according to sex; females are likely to order mocktails almost twice as often. These differences by gender are less pronounced for nonalcoholic wine and nearly nonexistent for nonalcoholic beer. Nonetheless, the 15 percent of males who would order a mocktail constitutes a significant number.

Marketing nonalcoholic cocktails

The relatively high percentage of young consumers likely to order nonalcoholic beverages offers an excellent marketing opportunity for restaurateurs. Focus group discussions indicated that the desire for suitable beverage alternatives by people who do not consume alcohol or do not want to do so on a particular occasion is not being met. In addition, younger focus group participants said they prefer nonalcoholic drinks that do not draw attention. Such practices as adding straws to nonalcoholic drinks or using different sized glasses for alcoholic and nonalcoholic drinks tend to make the nonalcohol drinker feel uncomfortable. A better practice would be to make those drinks indistinguishable, except for the alcohol content. This type of packaging may also improve male acceptance of mocktails.

In a related issue, 83 percent of all those surveyed and almost 90 percent of the 18 to 24-year-olds agreed that nonalcoholic cocktails should be priced lower than those with alcohol. Discussion group participants expressed displeasure at paying for mocktails at prices equal to those charged for alcoholic drinks.

There is also room for improvement in the amount of information restaurants or bars give their customers on the availability of non-



Likelihood of ordering traditionally alcoholic drinks without alcohol

Mocktails are the beverage of choice for patrons looking for nonalcoholic alternatives to traditional alcoholic drinks

Percent who would be "very" or "somewhat likely" to order:		**Sex**		**Age**		
	Total (1200)*	**Male** (578)*	**Female** (622)*	**18–24** (190)*	**25–44** (569)*	**45+** (434)*
Nonalcoholic cocktails	22%	15%	28%	36%	22%	15%
Nonalcoholic wine	17	12	20	23	17	12
Nonalcoholic beer	13	12	14	23	13	9

*The number of survey respondents

Source: National Restaurant Association, *Beverage Preferences: A Consumer Attitude Survey*, 1987

Likelihood of ordering various types of wine in a restaurant*

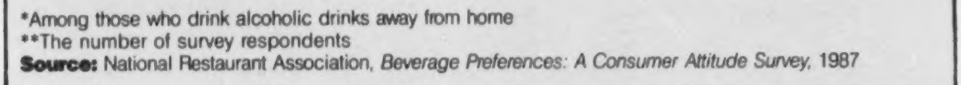
Women are more likely than men to order wine in a restaurant

Percent who would be "very" or "somewhat likely" to order:		**Sex**		**Age**		
	Total (737)**	**Male** (387)**	**Female** (350)**	**18–24** (118)**	**25–44** (407)**	**45+** (210)**
White wine	66%	61%	71%	69%	68%	61%
Red wine	51	48	54%	49	52	50
Rose wine	47	42	52%	53	47	43
Champagne	40	37	42%	61	38	31
Wine coolers	38	32	45%	65	38	22
Wine by the glass	66	58	74	69	66	64
Wine by the carafe	50	50	51	52	54	41
Wine by the bottle	45	46	45	52	49	34
Percent who would never order any type of wine	12	15	10	7	12	17

*Among those who drink alcoholic drinks away from home

**The number of survey respondents

Source: National Restaurant Association, *Beverage Preferences: A Consumer Attitude Survey*, 1987



alcoholic beverages. The study indicates that consumers are often self-conscious about asking for nonalcoholic beverages. Restaurateurs could help by offering specific nonalcoholic beverages on the menu or by asking servers to mention that nonalcoholic versions of cocktails are available upon request. Promotions could also facilitate acceptance.

Consumers open to suggestive selling of wine

The beverage study points to opportunities for increased wine sales. Almost 60 percent of those who drink wine away from home say that the decision to order wine with a meal is a spontaneous one. And less than 50 percent believe that they are well informed about wines. In fact, 76 percent of those who drink wine away from home said they like it when a server suggests a wine. A solid training program incorporating lessons on wine sales could allow an operation to capture some of this untapped potential.

An added bonus to restaurateurs is that more than 50 percent of restaurant wine drinkers perceive wines as being fairly priced at restaurants, a higher percentage than for mixed drinks. And 62 percent say they are usually satisfied with the establishment's house wine.

Wine by the glass favored

The majority of consumers are attracted to wines by the glass. Sixty-six percent of those surveyed who drink alcoholic beverages at restaurants are likely to order wine by the glass, compared to 50 percent willing to order wine by the carafe and 45 percent by the bottle.

The demand for wine by the glass can open up opportunities to sell different types

Market grows for tea and decaffeinated coffee

Other findings from the association's beverage study concern consumer attitudes toward tea and coffee. Slightly more than 50 percent of consumers surveyed say they are likely to order regular brewed coffee in restaurants. Not surprisingly, the incidence of ordering increases sharply with age: 35 percent of those 18 to 24 years old are likely to order coffee compared to 62 percent of those 45 and older. The percent of consumers who would never order coffee decreases considerably with age, from 45 percent for 18 to 24-year-olds to 16 percent for those 45 years old and older.

Decaffeinated coffee has become expected norm

One of the more interesting results of the study is the degree to which decaffeinated coffee has penetrated the marketplace. More than 30 percent of restaurant goers are likely to order decaffeinated coffee, with females more likely than males to do so. Nearly 90 percent of restaurant coffee drinkers believe restaurants should offer a decaffeinated alternative to the regular variety, and 76 percent believe it should be brewed decaffeinated, not instant.

As one focus discussion group member noted, if convenience stores can offer brewed decaffeinated coffee so, too, can restaurants. In the minds of most coffee drinkers, putting brewed decaffeinated coffee on the menu is now a norm with which restaurants should comply.

Young restaurant patrons like tea

A look at consumer attitudes concerning tea yields some surprising results. In contrast to coffee, younger consumers are the most likely to order both iced and hot tea. While 28 percent of consumers 45 and older would never order tea at a restaurant, only 19 percent of 18 to 24-year-olds feel the same way.

Younger customers are also more demanding in how they want tea served. Nearly 90 percent of 18 to 24-year-olds who drink tea away from home think a restaurant should provide a fresh teabag upon refill, compared to 72 percent of those 45 years old and older. Eighty percent of 18 to 24-year-olds would like restaurants to offer a selection of different teas. Only 64 percent of the older patrons feel the same way. Still, significant shares of all age groups agree with these notions, suggesting that, from the customer's point of view, tea service should consist of more than just a cup of hot water and a teabag.

Consumers in all age groups are more likely to order iced tea than hot tea, by a margin of 64 percent to 41 percent. Little interest is expressed for caffeine-free varieties among older patrons who might have medical reasons to do so. In fact, a higher share of 18 to 24-year-olds would order caffeine-free iced and hot tea than would those 45 and older. This stands in stark contrast to the desires of older coffee drinkers.

The popularity of tea with younger restaurant goers offers marketing opportunities for foodservice operators. Since coffee is not particularly popular with younger consumers, tea could be promoted in its place as an ending to a meal. A variety of teas may encourage orders, as can suggestive selling by servers. Restaurants offering afternoon teas may want to target younger consumers in their marketing and promotional efforts. Tea is a natural for the fitness-conscious set. Low in calories and containing no sugar, iced tea could be marketed as an effective alternative to sparkling water and diet sodas.

of wine with different courses (appetizers, entrees and desserts). A variety of by-the-glass offerings could encourage both spontaneous decisions to order wine and increase repeat visits. Some restaurants offer tastes of wine, served in quantities less than in regular glasses, to encourage customers to try something different.

Younger patrons more likely to order wine

Wine by the carafe or bottle is more likely to be ordered by customers under 45 than by those 45 and older. The willingness of younger restaurant patrons to order carafes and bottles of wine suggests that this is a good market for wine, especially considering that those less than 45 years old are more open to server suggestions. Only about 10 percent of those under 45 would never order any kind of wine in a restaurant compared to 17 percent of those 45 and older. Restaurants catering to this younger market could increase wine sales and profits as a result.

White wine most popular at restaurants

White wines are most popular with restaurant patrons. Two-thirds of those who drink away from home are very or somewhat likely to order white wine, followed by red wine, rose wine, champagne and wine coolers. Champagne and wine coolers appear to be the younger customer's beverages of choice—those 18 to 24 are almost as likely to order champagne and wine coolers as they are white wine. Females are more likely than males to order each of these types of wine, suggesting that wine promotions aimed at the male market could boost wine sales.

—Laurence Greenberg

Attitudes about wine and wine service*

Younger patrons are likely to appreciate servers' wine recommendations

Percent who "agree strongly" or "somewhat" that:		**Sex**		**Age**		
	Total (646)**	**Male** (331)**	**Female** (315)**	**18–24** (110)**	**25–44** (360)**	**45+** (174)**
They like it when the server suggests a wine	76%	73%	79%	85%	77%	68%
They are comfortable ordering from a wine list	67	66	69	69	69	63
They are usually satisfied with the restaurant's house wine	62	56	68	65	59	64
The decision to order wine with a meal is a spontaneous one	58	55	62	61	56	62
Wine is usually fairly priced at restaurants	55	50	60	59	51	60
They are well informed about wines	46	47	46	47	48	43
Servers usually don't know about the restaurant's wine	38	39	37	40	35	41

*Among those who drink wine away from home

**The number of survey respondents

Source: National Restuarant Association, *Beverage Preferences: A Consumer Attitude Survey,* 1987

Likelihood of ordering various types of tea and coffee in a restaurant

Tea and decaffeinated coffee are gaining in popularity, especially among consumers under 45 years of age

Percent who would be "very" or "somewhat likely" to order:		**Sex**		**Age**		
	Total (1200)*	**Male** (578)*	**Female** (622)*	**18–24** (190)*	**25–44** (569)*	**45+** (434)*
Regular iced tea	64%	64%	64%	67%	67%	58%
Regular hot tea	41%	35%	46%	44%	42%	38%
Regular brewed coffee	53%	57%	50%	35%	53%	62%
Caffeine-free brewed coffee	31%	25%	36%	19%	28%	38%
Regular instant coffee	19%	20%	18%	18%	16%	22%

*The number of survey respondents

Source: National Restaurant Association, *Beverage Preferences: A Consumer Attitude Survey,* 1987

To order the beverage study

Beverage Preferences: A Consumer Attitude Survey examines consumer attitudes toward away-from-home beverage consumption and investigates the likelihood of ordering more than 40 specific beverages at restaurants. Beverage categories covered include coffee, tea, soft drinks, juices, beer, wine and cocktails. In addition, consumer attitudes toward a variety of related restaurant beverage issues, such as price, service and caffeine and calorie avoidance, are reviewed.

Tables include breakouts by sex, age and income as well as other factors. A focus group report that explores consumer interests and attitudes regarding restaurant beverages is also included.

To receive a copy of this report, send check or money order for $25 ($50 for nonmembers) to the National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

When ordering, please be sure to include payment plus a 10 percent shipping and handling fee and any applicable tax. Washington, DC, residents must add a 6 percent sales tax. Illinois residents must add 7 percent and Chicago, Illinois, residents must add an additional 1 percent, making their total tax 8 percent. No purchase orders, please.

You may charge orders by including name of charge card, name of cardholder, card number, expiration date and signature. Credit card telephone orders are also accepted by calling the National Restaurant Association at 800/424-5156 (toll free) or 202/638-6100.

1 NEW ENGLAND

Location: North Woodstock, NH
Association member: Bruce Alexander
Operation: Truants Taverne
Profile: Fullservice American
In business: 10 years
Seats: 125
Meals served: Lunch, dinner

Skiing in the winter and mountain hiking in the summer draw tourists to North Woodstock in northern New Hampshire. Thus winter and summer are the two big seasons for restaurateurs in the area, explains **Bruce Alexander,** owner of Truants Taverne. "Last winter's season was definitely better than usual," Alexander says. And he predicts the summer season will be at least as good as last year, probably better.

The reason for the increased business, Alexander explains, is that "the whole area is exploding in growth—second homes, condos. . . . more people are choosing the area for their vacations."

Truants Taverne, a casual restaurant, reflects the school days implied by its name. School house memorabilia decorate its walls, the bar is made of school desks and school chairs have been turned into bar stools.

Alexander says the menu has "something for everyone" from open faced sandwiches to veal, beef, fish and poultry entrees. "Lately we've been featuring blackened swordfish and prime rib," he says. "They have been selling well; you could say they have become our specialty."

2 MID ATLANTIC

Location: Hollidaysburg, PA
Association members: Ronald L. Lynn and Cindy Butler
Operation: The Dream (Dave's Dream Family Restaurant)
Profile: Fullservice American
In business: 12 years
Seats: 200
Meals served: Breakfast, lunch, dinner

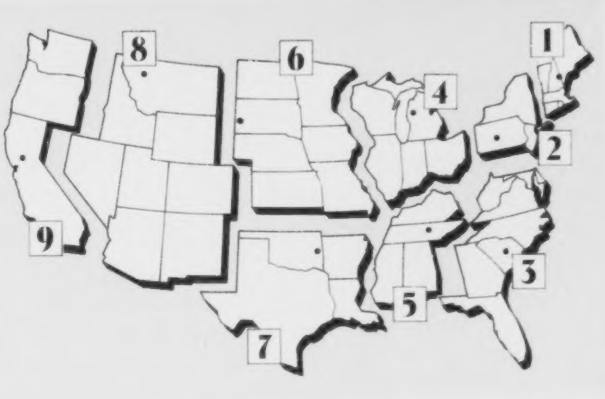
"We're up about 10 percent this year," says **Ronald Lynn,** owner of The Dream. Lynn credits the increase to menu selections added this year: a new light and healthy section with fresh broiled seafood (in contrast to the breaded items offered on the rest of the menu) and a senior citizens menu that features lower prices and slightly smaller portions. In addition to its new menus, The Dream offers Italian dinners and homemade bread, rolls and desserts.

When The Dream was built almost 50 years ago, it was called Dave's Dream, to celebrate the original owner's "dream come true." When the restaurant changed hands, so did the dream, and the new owners dropped the "Dave" part of the name.

3 SOUTH ATLANTIC

Location: Florence, SC
Association member: Benton Dargan
Operation: Benton's Restaurant and Cork & Cheese Board
Profile: Fullservice casual
In business: 4 years
Seats: 120
Meals served: Lunch, dinner

"Business is up some 10 or 15 percent," says **Benton Dargan,** owner of Benton's Restaurant and Cork & Cheese Board. "It comes from advertising. We didn't advertise for a while and business went down, now it's started back up again."



The Cork & Cheese Restaurant has been evolving. Originally, Benton's was a deli and wine shop with only a luncheon business, but about a year ago the owners decided to add another room to expand service capacity. In contrast to the deli's wooden tables and market look, the new room has a courtyard feel.

When the new side opened, the restaurant started serving both lunch and dinner. The menu also expanded to include Cajun-styled entrees, which have become some of the restaurant's most popular items.

4 EAST NORTH CENTRAL

Location: Ludington, MI
Association member: Richard Scott and Virginia Scott
Operation: Scotty's
Profile: Fullservice American
In business: 10 years
Seats: 200
Meals served: Lunch, dinner, Sunday brunch

When warm weather and sun grace Michigan's west coast, tourist towns like Ludington welcome plenty of visitors, and area businesses boom. Scotty's, a casual fine dining restaurant only a half mile from Lake Michigan, has reaped the benefits of an especially warm summer. "We've noticed a nice increase," says owner **Richard Scott.**

Tourists and Scotty's regular year-round customers come to taste the restaurant's specialities: prime rib and perch. Other favorites include sirloin, shrimp brochette and stuffed flounder. Scotty's homemade soups are also popular. Every Friday is clam chowder night, and on other nights guests may be offered such choices as broccoli with cheese or chicken gumbo.

Alexander notes that the theme of Scotty's is slightly nautical, "But we don't go overboard with it," he says. A few boats and buoys hang on the walls, and there is a boat dry-docked outside the restaurant.

5 EAST SOUTH CENTRAL

Location: Madison, TN
Association member: Danny Love
Operation: Major Wallaby's Restaurant
Profile: Fullservice casual theme
In business: 7 years
Seats: 250
Meals served: Lunch, dinner

The economy is strong and business is good for Major Wallaby's, a safari-theme restaurant in Madison, Tennessee. Owner **Danny Love** can't explain why business is up 12 to 15 percent from last year—but he isn't complaining.

Love speaks enthusiastically about his restaurant with its large green plants, fabric coverings and a 3,500-gallon aquarium, filled with exotic fresh water fish from such places as the Amazon and Honduras.

The restaurant's fictional namesake, Major Wallaby, adds to the adventurous feeling. Customers can read about the worldwide travels of the "legendary bon vivant" on the menu.

Despite the exotic setting the menu selection is all-American. Guests have a choice of more than 10 salads, 15 to 20 appetizers, 12 sandwiches and dozens of seafood, chicken and steak entrees.

A specialty of the house is the *Banana Boat Dessert*: A banana rolled in flour tortilla, sprinkled in sugar and cinnamon, fried and topped with spicy rum and whipped cream.

6 WEST NORTH CENTRAL

Location: Keystone, SD
Association member: Sally Jo Jepsen
Operation: Miner's Ore House Restaurant
Profile: Fullservice family style
In business: 6 years
Seats: 82
Meals served: Breakfast, lunch, dinner

"We're doing super," says **Sally Jo Jepsen**, owner of the Miner's Ore House Restaurant located in the Black Hills of South Dakota. "This is the best year we've had of the six [in business]," she exclaims.

Although the restaurant, which has a miner's motif—complete with pick, shovel and gold pans on the walls, has been doing well almost every year, this summer it is getting an extra boost from nearby attractions. Jepsen explains that the rededication of one of the faces carved on Mount Rushmore is attracting people to the area, as is the on-location filming of ABC's soap opera "General Hospital."

Jepsen says her restaurant thrives when the city receives attention because Miner's Ore House is often recommended by the locals, who praise the restaurant's homemade food.

"Mom makes the potato salad, and we use my husband's recipe for the pie crust. Our sons and daughters work here—it's a family restaurant. That makes the difference," she says.

7 WEST SOUTH CENTRAL

Location: Roland, OK
Association member: Beverly Bonner
Operation: Old West Restaurant
Profile: Fullservice casual
In business: 17 years
Seats: 125
Meals served: Breakfast, lunch, dinner

When gas prices are low, business is good at the Old West Restaurant located on Route 64 on the eastern edge of Oklahoma. Truckers and vacationers traveling across the Southwest are mainstay customers says owner **Beverly Bonner**.

Bonner says her restaurant is decorated like the old West—"with old pictures and real antiques." The real charm of her restaurant, she believes, is "its friendliness and good food."

Old West Restaurant, open 24 hours, serves breakfast anytime. There is also a big variety of non-breakfast dishes, including Mexican and fish specials. "When you're on the highway you have to have something to please almost everyone," she explains.

Bonner's guests apparently like the variety and the quality of the food. Quite a few truckers make her restaurant a regular stop.

8 MOUNTAIN

Location: Kalispell, MT
Association member: David "Moose" Miller
Operation: Moose's Saloon
Profile: Self-serve saloon
In business: 30 years
Seats: 170
Meals served: Lunch, dinner, snacks

At Moose's Saloon almost anything goes. Guests may dance on the tables, play cribbage at the booths, carve their initials in the redwood benches and generally have a good old boisterous time, as long as they follow three rules laid down by owner **David "Moose" Miller:** "no bumming drinks, no fighting and no dope on the premises." Beyond that, "Do whatever you want as long as you don't offend anyone else," Miller says.

The fun times at Moose's Saloon are reputed far and wide—and that's good for business, says Miller.

Miller says you can expect to meet all types at the saloon. "You'll see everybody from U.S. senators to the worst freaks in town."

Although 40 percent of his sales are food, Miller is proud of the 28 kegs he rotates continuously. Miller serves seven kinds of beer, one wine and one wine cooler from his drafts.

At night the main attraction is the crowd, the beer and the entertaining employees—some of whom can juggle or perform other interesting stunts. At lunch, the crowd comes for the serve-yourself (on an honor system) soup and salad bar.

The saloon, whose business is now as good as its best year, seven years ago, went through some slower times when the Canadian dollar fell abruptly. Located 70 miles south of Canada, many of Moose's most loyal customers were Canadian and they started having second thoughts about crossing the border. Apparently they've found their way back.

9 PACIFIC

Location: Rio Vista, CA
Association member: James R. Baumann and J.H. Baumann
Operation: The Point Restaurant
Profile: Upscale casual
In business: 23 years
Meals served: lunch, dinner

The local economy, dependent on gas fields and farming, is way down this year, and that means business is not as good as usual for The Point Restaurant. "[The town] is going through a rough time now so local business is down, but tourist business is about the same," says owner **Jack Baumann**. "Overall, I'm down about 10 percent this year," he says.

Tourists and locals come to The Point to see the view of Sacramento River right outside his restaurant. "We don't decorate heavily inside—the outside (view) is the big draw," he says. "Every now and then a steamer even passes by."

The Point's proximity to water means seafood is an obvious choice for a specialty. Two of the most popular dishes are fresh salmon—which can only be caught six months per year, and sole. For landlubbers there is also veal and chicken. There is also grasshopper pie and chocolate torte "for chocoholics."

—Linda Durling

Barnyard chic in Beverly Hills

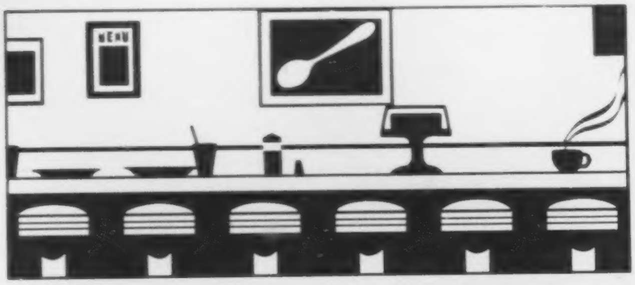
When customers come to Prego, an Italian restaurant in Beverly Hills, California, this October 4, they will find 30 bales of hay, cornstalks, pumpkins, wooden wine barrels and life-size replicas of barnyard animals in the parking lot. The 2,000-square-foot space will be turned into an Italian farmyard for the restaurant's fourth annual "Sagra del Vino," a traditional Italian grape harvest celebration modeled after similar wine harvest festivals in small towns throughout Italy.

Prego's festival will differ from tradition in one major way, however. Proceeds will go to UCLA Medical Center's Child Development Program. Tickets at $40 (children under 10 free) will entitle guests to a bounteous selection of Northern Italian foods, wines, music and dancing.

—Grody/Tellem Communications, Inc.

Saving a greasy spoon

A New Jersey greasy spoon is about to slide into the Smithsonian Institution in Washington, DC, for its final resting place.



The stainless steel diner—known alternately as "The Melrose" and "Irene's"—will be the centerpiece of an exhibit at the Smithsonian's National Museum of American History called "A Material World."

A large cross-section of the diner—with a wall removed so museum visitors can readily see the red vinyl seats and Formica countertops—will be on view next spring.

Built in 1940, the 15-ton diner is a classic example of the so-called Golden Age of Diners. It is 60 feet long and 16 feet wide. It has 25 stools, eight booths, ceramic tile floors and walls, and an exterior of cream-and-orange enamel bands and stainless steel.

The diner was boarded up when chanced upon by a Smithsonian employee. Its owner had purchased the diner to develop the land, and he gladly donated it to the Smithsonian for a tax deduction. *—New York Times*

Why people fail

Poor interpersonal skills is the single biggest reason for career failure, say Linda Gottlieb and Carole Hyatt, authors of *When Smart People Fail*. Other reasons include:

☐ wrong fit—the mismatch of a person's personality, abilities, style and values with that of the surroundings

☐ fear of failure which translates into lack of commitment

☐ bad luck—those uncontrollable events that can do in the best and the brightest

☐ fear of success which leads to self-destructive behavior

☐ scattered focus—trying to do too much and thereby not doing anything well

☐ sex, age and race discrimination

☐ poor management, including over and underdelegation and

☐ hanging on too long when it is time to move on.

—Washington Post

2,000 Whoppers® to go

It was a big order. And it was to go. Two thousand Whoppers for the President of the United States. The occasion: a party in honor of West Berlin's 750th birthday.

The official order was to throw a "typical American birthday party," and the hamburgers from Burger King were the main entree for the picnic-style luncheon.

The U.S. military community in West Berlin furnished the other American edibles—barbecue beef, hot dogs, fried chicken, chili, potato salad, cole slaw, baked beans, birthday cake and ice cream.

West German Chancellor Helmut Kohl, U.S. Ambassador to West Germany Richard R. Burt and White House Chief of Staff Howard Baker were among the dignitaries at the gala event in June, held at the U.S. military-controlled Tempelhof Airport.

—Burger King

When finger licking is proper

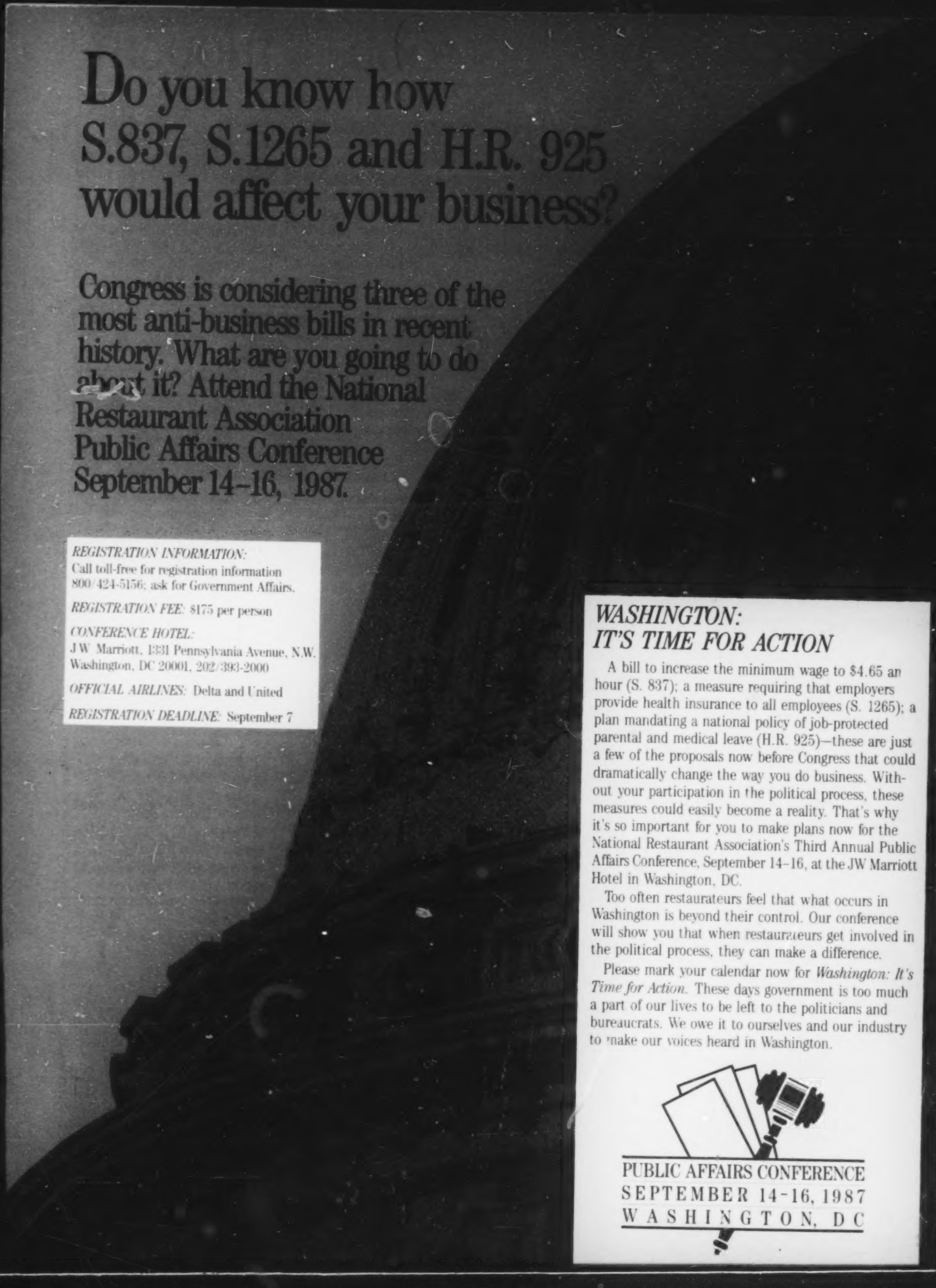
Most diners know not to eat their neighbor's salad, not to talk with food in their mouths and not to pick their teeth in public. After that the rules of etiquette get a little fuzzy.

Diners who are not sure whether they can eat asparagus with their fingers or if it is proper to drink the liquid inside an oyster half shell can polish their table manners with the help of The Executive Etiquette Company located in Canton, Massachusetts.

For $1,350, etiquette experts, Linda and Wayne Phillips, will teach a three-hour group "refresher course in the fine points of civility."

The need for this training is a recent phenomenon, explains Wayne Phillips. A generation ago people would have learned proper manners at their parent's dinner table. "This is a new generation—they grew up eating at McDonald's and Burger King. They're very bright, but they can get very uncomfortable if all of a sudden the boss asks them to take a client out to lunch," says Phillips.

—INC.



Do you know how S.837, S.1265 and H.R. 925 would affect your business?

Congress is considering three of the most anti-business bills in recent history. What are you going to do about it? Attend the National Restaurant Association Public Affairs Conference September 14–16, 1987.

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REGISTRATION FEE: $175 per person

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WASHINGTON: IT'S TIME FOR ACTION

A bill to increase the minimum wage to $4.65 an hour (S. 837); a measure requiring that employers provide health insurance to all employees (S. 1265); a plan mandating a national policy of job-protected parental and medical leave (H.R. 925)—these are just a few of the proposals now before Congress that could dramatically change the way you do business. Without your participation in the political process, these measures could easily become a reality. That's why it's so important for you to make plans now for the National Restaurant Association's Third Annual Public Affairs Conference, September 14–16, at the JW Marriott Hotel in Washington, DC.

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PUBLIC AFFAIRS CONFERENCE
SEPTEMBER 14-16, 1987
WASHINGTON, DC

COMPUTER SOFTWARE ■ OLDER WORKERS ■ EXPANSION STRATEGIES

THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION
VOL. 7 ☐ NO. 8 ☐ SEPTEMBER 1987

RESTAURANTSUSA

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MEETS

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ASSOCIATION MEETINGS

SEMINARS

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Dining Room Management
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9/21 Colorado Springs, CO
9/23 Albuquerque, NM
10/26 Pawtucket, RI
11/2 Newark, NJ
11/3 Cherry Hill, NJ
11/10 Austin, TX

Increasing Sales: Effective Front-of-the-House Management
9/21 Grand Rapids, MI
9/23 Milwaukee, WI
10/12 Portland, OR
10/26 Louisville, KY
11/10 Baltimore, MD
11/11 Philadelphia, PA

Kitchen Management
9/14 Eugene, OR
9/28 Columbia, SC
10/26 Toronto, Ontario, Canada
10/28 Harrisburg, PA
11/9 Virginia Beach, VA
11/11 Wichita, KS

Tools for Training
9/21 Minneapolis, MN
9/22 Indianapolis, IN
10/27 Springfield, MA
10/28 Syracuse, NY
11/10 Birmingham, AL

Food Production Courses

Perfecting Your Culinary Skills
9/15 Atlantic City, NJ
10/19 Cromwell, CT
11/4 Pittsburgh, PA
11/11 Newport Beach, CA
11/13 Burlingame, CA

Simplified Baking Workshop
9/16 Greenbelt, MD

Soups and Sauces
10/26 Newark, NJ
10/27 Burlington, VT

Foodservice Management Courses

Banquet Management
9/15 Anaheim, CA
9/17 Burlingame, CA
10/6 Vancouver, B.C., Canada
10/19 Montreal, Quebec, Canada
10/21 Moncton, New Brunswick, Canada
11/2 San Diego, CA
11/4 Sacramento, CA

Beverage Management
9/16–17 Uniondale, NY
9/30–10/1 Portland, OR
10/13–14 Denver, CO
11/9–10 Toronto, Ontario, Canada

Coping with the Personal Demands of Foodservice Management
9/14 Atlantic City, NJ

Employee Motivation
9/28 Annapolis, MD
9/30 Lancaster, PA
10/12 Columbus, OH
10/14 Indianapolis, IN

Food Cost Management
9/15 Atlantic City, NJ
10/13 Williamsburg, VA
10/14 Tysons Corner, VA

Foodservice Operators' Legal Workshop
10/6 Richmond, VA
11/10 Raleigh, NC

Menus That Sell!
9/14 Atlantic City, NJ
9/29 Honolulu, HI
10/6 Atlanta, GA
10/19 Minneapolis, MN
10/21 Madison, WI

Off-Premises Catering
9/14–15 Atlantic City, NJ
9/28–29 Toronto, Ontario, Canada
10/19–20 Dearborn, MI

Operational Analysis
9/17–18 Boston, MA
10/7–8 Las Vegas, NV

Planning and Implementing Restaurant Marketing Strategy
9/22–23 Newport, RI
11/4–5 Indianapolis, IN

Planning Successful Buffets
10/5 Monterey, CA
10/6 San Francisco, CA

Profitability
9/22 Charlotte, NC
9/23 Williamsburg, VA
9/28 Orlando, FL

Real Estate and Restaurant Site Selection
11/9–10 Orlando, FL

Restaurant Design and Facilities Planning
9/30–10/1 Santa Barbara, CA
10/21–22 Boston, MA
11/11–12 Reno, NV

Sanitary Assessment of the Foodservice Environment (S.A.F.E.)
10/5 Dallas, TX
10/20 Portsmouth, NH
11/9 Denver, CO

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For more information, contact National Restaurant Association Education Foundation, 311 First St., N.W., Washington, DC 20001 (800) 424-5156 or (202) 638-6100.

If your company is interested in our in-house programs, contact Frank Doyle at the association's Washington, DC, office.

STUDY GROUP MEETINGS

Financial Officers
10/7–9 Denver, CO

Internal Auditors
9/15–18 Las Vegas, NV

Management Information Systems (MIS—formerly EDP)
10/13–16 Lake Tahoe, NV

Marketing Executives
10/18–20 Lake Tahoe, NV

Multi-unit Architects, Engineers and Construction Officers (MAECO)
9/16–18 Las Vegas, NV

Quality Assurance
10/28–30 Hilton Head, SC

Tax Executives
10/7–9 Denver, CO

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

Published by the National Restaurant Association

RESTAURANTS USA
VOL. 7 NO. 8 SEPTEMBER 1987

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Restaurants USA (ISSN 0890-5584) is published monthly, except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one-year subscription to ***Restaurants USA***. The non-member subscription fee is $125 per year. Second-class postage paid at Washington, DC 20001 and additional mailing offices. Copyright © National Restaurant Association 1987. Postmaster, send address change to ***Restaurants USA***, 311 First St., N.W., Washington, DC 20001.

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PRESIDENT'S REPORT

Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc.; Louisville, KY

Fight continues to fend off minimum-wage increase

September means that Congress is returning to Washington—which means the return of legislative challenges for the foodservice industry. The number-one priority on the legislative front continues to be the association's opposition to a minimum-wage increase.

During past weeks, association board members joined me in logging thousands of miles to communicate our opposition to major media. Cities covered included Los Angeles, Chicago, New York and Dallas, resulting in editorial coverage favorable to our position. Washington, DC, is to be covered in September.

Among the most notable accomplishments was the July 30 editorial in the *Wall Street Journal* questioning the fairness of a minimum-wage increase. This piece appeared eight days after I met with the paper's editors, and it included many of the association's arguments and viewpoints.

Clearly, we are making progress in our campaign to oppose an increase in the minimum wage. We intend to further that progress when Congress reconvenes this month.

Public Affairs Conference, September 14–16

Foodservice operators from across the country also will convene in Washington this month at the association's third annual Public Affairs Conference, September 14–16. Registrations are being accepted up to the last minute for this influential gathering of lawmakers, Reagan administration officials and industry representatives—so get your name on the attendee list today.

As usual, a highlight of the two-day conference will be the annual "Chef d'Oeuvre" reception, featuring specialties from Washington's finest restaurants and giving conference attendees a chance to meet socially with congressional representatives. I hope to see you there.

Phase two of industry image campaign

The second phase of the hospitality industry's image-building campaign is now under way. Advertisements promoting careers in the industry will begin appearing this month in scholastic and vocational guidance magazines geared toward high school students.

In addition, videotapes outlining the benefits of a career in hospitality have been sent across the country to 7,500 high schools with vocational guidance programs. By targeting these specific groups, we hope to bolster the ranks of employees who view foodservice not just as a job, but also as a career. Look for more information on the industry image campaign and ideas on how you can participate in the weeks and months ahead.

New current issues report available; compensation survey mailed

On the subject of employee motivation, the latest in the association's series of Current Issues Reports, entitled *Non-Traditional Reward Systems for Foodservice Employees,* is now available through the association's publications department. This report outlines unique and inventive compensation programs employers can use to lure and maintain qualified employees. Look for it in the new *Catalog of Publications* to be mailed to all members this month.

Also in September, all key members of the association will be receiving a questionnaire regarding wage and benefits practices for salaried employees and executives.

Please fill out this survey as soon as possible. The results will be published early next year.

Association's video library growing

Finally, the association's video library continues to grow. The award-winning *VideoTraining* series now includes three installments: "Waitstaff Training," "Back-of-the-House Training" and "Wine Training." In addition, two videos which explain in plain, understandable language how to comply with two foodservice-related laws, "Tips & Taxes" and "Complying with the New Immigration Law," are available through the association's publications department.

It is my pleasure to welcome 157 new members who joined the National Restaurant Association in August. Your participation in the association will benefit your business and will make the association more effective in its representation of the foodservice industry.

Sincerely,

Michael J. Grisanti
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: TASTES OF THE ORIENT COME WEST

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24 Egg rolls go cosmopolitan
Egg rolls are taking on a new, jazzier look and taste.

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10 Older workers: The work force of the future?
As the number of teenagers declines, foodservice may turn to older workers to fill staffing needs. Attracting this valuable work force into your operation may be a long-term solution. A *Foodservice Trends* special sidebar examines the drop in available teenage workers.

14 Restaurant software comes of age
Because "noncomputerized" may come to mean "noncompetitive" in the near future, this article outlines some of the recent innovations in restaurant software. Sidebars detailing one operator's purchasing checklist and another's customized labor scheduling system illustrate restaurateurs' increasingly sophisticated approach to computerization.

26 Restaurant expansion: Mergers
Mergers are becoming a viable expansion strategy for restaurant companies. Here's a look at the reasons behind the merger trend and tips on forming a successful partnership.

30 Restaurant expansion: Going public
Because going public inevitably changes the way a business operates, this article outlines some of the factors to consider before joining Wall Street.

33 Apprenticeships: Investing in the future
Concerned with developing top-notch staffs, some operators are creating their own apprenticeship programs, ranging from formal American Culinary Federation (ACF) affiliations to more informal, customized programs.

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Cover photograph by Gary Landsman
Model's clothing courtesy of Linens of the Week
Mask by Suzani

SHORTORDERS

Liability insurance for association members

The National Restaurant Association has taken steps to soften the blow of the liability insurance crisis by making affordable insurance available to its members. The association's Board of Directors has approved association sponsorship of a holding unit for an insurance company that provides low-cost, comprehensive liquor liability insurance to foodservice operators.

The Consortium of Licensed Beverage Retailers Association (COLBRA), which the restaurant association has agreed to sponsor, will act as a holding unit for the Beverage Retailers Insurance Company (BRICO). Through BRICO, members of the restaurant association as well as members of other sponsoring organizations may obtain liquor liability insurance coverage at premiums well below current market rates. Other organizations participating in COLBRA are the American Hotel & Motel Association, the National Licensed Beverage Association, the National Liquor Stores Association, the Alcoholic Beverage Legislative Council and the Wine and Spirits Guild of America.

The initial funding for the establishment of COLBRA is being provided by Joseph E. Seagram & Sons, Inc.

In announcing the National Restaurant Association's participation in COLBRA, President Michael J. Grisanti said, "The liquor liability crisis has taken its toll on the foodservice industry. Many operators have been forced to pay outrageous premiums or, in some instances, to do without coverage altogether. Our participation in COLBRA ensures that National Restaurant Association members will be able to obtain the coverage needed to conduct business with minimum risk."

Fish&Seafood M·O·N·T·H

All alcoholic beverage license holders of the National Restaurant Association will receive complete information on BRICO once a license to operate, granted on a state-by-state basis, has been obtained. The initial license application for BRICO is being filed in Vermont, with remaining states to be phased in over a six to nine-month period.

The National Restaurant Association's participation in COLBRA was made possible by the passage of the Risk Retention Act in October 1986. Under this act, members of affiliated organizations are permitted to form an insurance company to provide liability insurance for organization members.

President Reagan honors Arby's

Arby's, Inc. (1,700 units; Atlanta, Georgia) has won a 1987 President's Citation for Private Sector Initiatives in recognition of its ongoing corporate involvement with Big Brothers and Big Sisters of America (BB/BSA). Last year, Arby's raised approximately $750,000 for BB/BSA through a variety of national fundraising efforts.

Leonard Roberts, Arby's president and chief executive officer, accepts Private Sector Initiative award from President Reagan.

The citation program was developed in 1984 to encourage the growth of voluntary service programs on the part of businesses, trade associations and professional societies.

1987 *Restaurant Industry Operations Report* is out

The National Restaurant Association has released its *Restaurant Industry Operations Report* for 1987. For the first time, this annual study contains specific information for each of the following types of restaurants: full-menu tableservice, limited-menu tableservice, limited-menu no tableservice (fast food), and cafeterias.

The four types of restaurant operations are each profiled by years in business, sales volume, location (urban, suburban and rural), affiliation, region and menu theme, including steak/seafood, Mexican, American, continental, sandwich/hamburger, ethnic and chicken. Operating results are expressed as amounts per seat and as ratios to total sales, the most common bases used in the industry. The tables detail such information as sales (by food and beverage), cost of sales, gross profit, controllable expenses, occupation costs and profit.

Additional tables exhibit earnings ratios, seat turnover, average check size, cost per dollar of sales and an analysis of employment, including employees per seat, sales per employee and part-time versus full-time workers. These data are displayed by specific operational characteristics, such as affiliation, menu theme and sales volume. In response to requests over the past year, the report includes amount-per-square-foot data covering sales, profits and occupational expenses.

The survey was conducted jointly by the National Restaurant Association and the international accounting firm of Laventhol and Horwath which performed the statistical analysis. This year, also for the first time, many state restaurant associations distributed questionnaires to their members, resulting in a record response.

How to order

Association members who completed this year's survey will receive a complimentary copy of the comprehensive report. Others wishing to receive the study should send a check or money order to the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. The price is $30 for members and $60 for nonmembers. When ordering, please be sure to include payment plus a 10 percent shipping and handling fee and any applicable tax. Washington, DC, residents must add a 6 percent sales tax. Illinois residents must add 7 percent, and Chicago, Illinois, residents must add an additional 1 percent, making their total tax 8 percent. ***No purchase orders, please.***

The ISAL needs your help!

All restaurateurs need forms for scheduling, purchasing, inventory control, making reservations, interviewing and many other procedures to help an operation run smoothly. And they need job descriptions for all the positions in their operations.

So does the National Restaurant Association Information Service and Library (ISAL). ISAL receives many requests for this type of information. Please send copies of the forms and job descriptions you use in your establishment.

ISAL staff will organize all the forms they receive. They will then file them and make them available to members. Then, the next time you need a sample form or job description, ISAL will be ready to help.

Send your forms to ISAL Forms, National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

Older patrons apt to be loyal customers

Most Americans, particularly older customers, are very loyal to their favorite restaurant, visiting that restaurant consistently for two years or more. The results of a recent survey conducted by Restaurant Consulting Group of Evanston, Illinois, and published in the *Power Marketing Quarterly*, show that 57 percent of restaurant patrons, "Old Loyalists," visit the same restaurant more than once a month. The remaining half, "Switchers," are more apt to choose new restaurants. These "Switchers" tend to be younger consumers, both married and single, and they are looking not only for good food but also for menu variety and fast service.

NAFEM introduces certification course

The National Association of Food Equipment Manufacturers (NAFEM) is offering a foodservice accreditation course, the first of its kind for equipment and supplies industry professionals. The Certified Foodservice Professional (CFSP) program has been designed to raise the professional standards of the industry by encouraging professionals to broaden their knowledge through a continuing program of educational development and by honoring outstanding achievements within the foodservice equipment and supplies segment.

Requirements for achieving the CFSP designation include documenting educational, professional and leadership experience; participating in continuing education programs; and completing a CFSP written examination which covers selling skills, industry knowledge, trade math, energy sources, kitchen layout and design as well as product lines and applications.

NAFEM representatives point out that operators will be the ultimate beneficiaries of the program because sales and manufacturers' representatives will better identify their customers' needs.

Grisanti promotes industry unity

Michael Grisanti addresses Western Restaurant Convention

"Working together to achieve industry goals" was the theme of National Restaurant Association President Michael J. Grisanti's remarks at the Western Restaurant Convention and Exposition in Los Angeles in August. "There is no one who competes more fiercely than the restaurateur," said Grisanti, the keynote speaker at the California Restaurant Association event. "But when our industry is threatened by unwarranted legislation or regulation, we must subordinate our loyalty to our individual businesses—we must set aside our innate competitiveness and act as one."

Association Executive Vice President Bill Fisher also spoke at the Western Restaurant Convention, giving attendees a look at "Foodservice—A View from Washington."

Directors outline minimum-wage opposition to media

National Restaurant Association directors continued to carry the association's position against a minimum-wage increase to media in major metropolitan areas this month. Association Communications Committee Chairman Harry Klingeman (Indian Trail; Winnetka, Illinois) spent a whirlwind day in Chicago talking to the *Chicago Tribune*, the CBS news affiliate, radio stations and magazines about how a minimum-wage increase would harm the very people it intends to help. "An increase in the minimum wage would actually reduce the number of hours and even jobs available for entry-level workers," Klingeman told reporters. "Nine out of 10 minimum-wage earners are teenagers, students, spouses of heads of households—workers who value their jobs for secondary income or for career advancement opportunity. These are the people who would be hurt most if the minimum wage is raised."

Association Vice President Jim Peterson (Whataburger, Inc.; Corpus Christi, Texas) took the association's message to Dallas media, including the *Dallas Times Herald*. Peterson expressed optimism that, with the aid of media reports resulting from the association tours, public opinion regarding a minimum-wage increase would shift toward the association's position.

All members of the association are encouraged to join in the minimum-wage opposition effort. Members interested in serving as spokespeople should contact the association's Communications Department, 311 First St., N.W., Washington, DC 20001; (202) 638-6100 or (800) 424-5156.

—*Anne Papa*

WASHINGTON REPORT

Hearings continue on the minimum wage

Congressional committees held summer hearings on the minimum-wage issue right up until the time Congress left Washington for its month-long August recess. Business groups, minimum-wage workers, organized labor, the administration and economists all were given an opportunity to air their opposing viewpoints.

The National Restaurant Association testified at the first hearing to be held by Sen. Edward Kennedy's (D-MA) Labor and Human Resources Committee. (Kennedy is co-author of the legislation that is expected to provide the starting point for the minimum-wage debate. His bill, S. 837, would raise the wage to $4.65 over a three-year period, beginning in 1988.) Ron Sarasin, director of government relations for the association, spoke on behalf of the Minimum Wage Coalition to Save Jobs, a broad-based group of employers organized to protest minimum-wage increases.

Increases in the minimum wage are not the way to get at poverty, Sarasin told members of the Senate committee. Minimum-wage earners are generally not the "working poor" being targeted for help by minimum-wage proponents; rather, minimum-wage earners tend to be young, single and living at home.

Sarasin urged the senators to give painstaking attention to the type of workers who would be most likely to lose their jobs or have their hours cut back in the event of a minimum-wage increase. "The least-productive workers—the young, those lacking job experience and skills—will be the first to feel the effects of a minimum-wage hike. When businesses can find substitutes for more expensive labor or when they can eliminate, streamline or combine marginal positions, they will do so—even at the expense of these lower-skilled workers," Sarasin told the committee.

Secretary of Labor William Brock has outlined the Reagan administration's opposition to a minimum-wage increase.

Secretary of Labor William Brock testified at the same hearing, outlining the Reagan administration's opposition to a minimum-wage increase. "Pay can be counted in both wages and job experience. With the experience of minimum-wage jobs, workers are investing in themselves, increasing their own human capital. As they remain in the work force, their wages rise. We need to make every effort to ensure that they have the opportunity to get this first job. Let's not dim their chances by raising the entry wage," said Brock.

Organized labor got its chance to tout a minimum-wage increase during the Senate committee's second scheduled hearing in late July.

At that hearing, AFL-CIO President Lane Kirkland said that employers who pay low wages "receive a tax subsidy. This is unfair to the low-wage worker and other taxpayers, and it undermines the incentive to work." Jay Mazur, president of the Ladies' Garment Workers, called the present wage "sadly out of date," saying that today's minimum wage is worth only about $2.62 an hour in real dollars.

A spokesperson for Service Employees International Union declared, "Today's minimum wage is a sub-poverty wage. Working full time, the minimum-wage worker earns less than $7,000 a year. This is only 62 percent of the poverty threshold for a family of four."

At the final prerecess hearing, House Small Business Committee Chairman John LaFalce (D-NY) affirmed his commitment to raising the minimum wage: "The current minimum wage no longer accomplishes its intended goals: to allow a worker to maintain a decent standard of living and to keep a family of three above the poverty level. In some states, including my own state of New York, a family is better off living on welfare benefits than working at the minimum wage."

LaFalce, however, noted that many Democrats have significant differences of opinion over how much the increases should be, whether a youth subminimum should be established and whether the wage should be pegged to 50 percent of average hourly earnings beginning in 1991, as Kennedy's legislation proposes.

LaFalce's witnesses included George Washington University's Sar Levitan, an economist who called the past six years of a $3.35 minimum "the longest period of neglect since minimum-wage laws were first enacted in 1938." Yet Levitan admitted that the Kennedy legislation might be unwise: "Such rapid, steep increases, compounded by a likely recession around 1991, are likely to contribute to significant job losses." Levitan urged members of the committee to be "cautious and prudent" in choosing a system for indexing the minimum wage.

Levitan's testimony was followed by the statement of another economist, Marvin H. Kosters, from the American Enterprise Institute. Like Sarasin, Kosters' testimony reiterated the fact that the adverse employment effects accompanying a minimum-wage increase are "selective," hitting the young, those with poor schooling, dropouts, minorities, the handicapped and others with low earning capabilities.

Proposition 65

Association fights California labeling requirements

The National Restaurant Association has joined other national organizations in fighting the warning/labeling requirements of Proposition 65, the ballot initiative passed by California voters in November 1986.

Proposition 65, the "Safe Drinking Water and Toxic Enforcement Act of 1986," prohibits the discharge of carcinogenic chemicals or reproductive toxins into drinking water sources and requires businesses to warn consumers when products contain these chemicals. Although the "safe drinking water" measure was aimed chiefly at hazardous-waste disposers and industrial polluters, food groups fear that the warning requirements of Proposition 65 could have serious consequences for the producers and sellers of food.

The law is scheduled to go into effect February 27, 1988. Currently, California officials are drawing up a list of the chemicals that are covered. The initial list released by Governor George Deukmejian includes 26 chemicals; a secondary, as-yet-unapproved list contains 200 more.

Most experts agree that *virtually all* food products contain trace amounts of at least one chemical on the primary list and that *all* food contains a low level of at least one of the chemicals on the secondary list. Many of these chemicals are unavoidable, naturally occurring constituents which have insignificant health risks.

Under federal food safety laws, these food products are considered safe. Proposition 65's approach—requiring warnings even for federally approved foods that contain insignificant traces of the chemicals—would only confuse consumers, say the measure's opponents.

Proposition 65 ignites national protests

Because of the California law's far-reaching implications for the food industry and because similar proposals are brewing in other states, Proposition 65 has sparked controversy far beyond California's borders.

The Grocery Manufacturers Association (GMA), joined by the California Restaurant Association and numerous other groups, has filed a petition with the California Health and Welfare Agency, the department responsible for writing the regulations to implement Proposition 65.

The GMA petition calls for food products already in compliance with federal and state food safety laws to be exempted from the warning requirements of Proposition 65. As this ***Restaurants USA*** went to press, the agency had indicated it would make a decision on the GMA petition in mid-August.

Taking a different approach, the National Food Processors Association (NFPA) has filed a petition with the U.S. Food and Drug Administration (FDA) asking for a federal regulation that would preempt state and local warning requirements.

"The FDA's willing surrender of jurisdiction over food safety determinations and food labeling to California officials would encourage aggressive moves by other states to establish their own regulatory agenda for foods, to make their own determinations as to the safety of the food supply and to impose their own requirements on the formulation and labeling of food products," said the NFPA petition.

NFPA petitioners are hoping for an answer from FDA similar to the position of U.S. Agriculture Secretary Richard Lyng who told Governor Deukmejian in early June that federal meat and poultry laws preempt the labeling requirements of Proposition 65.

Proposition 65 is also opposed by the Association of Food and Drug Officials (AFDO), a nonprofit organization of state regulators dedicated to the development and enforcement of uniform food, drug and other consumer protection laws. According to AFDO, Proposition 65-type warnings could undermine the effectiveness of other warning labels and cause people to believe that the federal government is not adequately protecting consumers.

Foodservice industry takes stand

The National Restaurant Association and 50 other groups have joined together to form the Council for Labeling Uniformity (CLU), a coalition opposed to state labeling requirements that differ from federal labeling regulations. The National Restaurant Association and most of the other groups in CLU have endorsed NFPA's petition.

In June, California Restaurant Association officials and several restaurateurs testified at hearings held by the state's Health and Welfare Agency, outlining both the logistical problems with labeling that could result from Proposition 65's warning requirements and the inequities involved in treating one state's food supply differently than that of other states.

"We could be creating a climate wherein people won't want to eat in California because they think California's food is different than other states' food," said Jo-Linda Thompson, director of government affairs for the California Restaurant Association. "If there are problems with food safety standards, they should be taken care of on the federal level. No one would benefit if each of the 50 states were able to create its own set of food safety standards."

"Risk-pooling" bill advances in House

The full House Ways and Means Committee has signed off on the concept of state health "risk pools," a proposal by Health Subcommittee Chairman Pete Stark (D-CA) that would allow states to establish insurance risk pools to provide health coverage to hard-to-insure individuals.

The proposal is opposed by the National Restaurant Association and other business groups because it would allow states to require firms with 20 or more employees to participate in the pools. If an employer failed to participate in such a pool, the state could require the employer to pay a 5 percent excise tax on the employer's gross payroll.

All state residents not eligible for Medicare or Medicaid would be eligible to purchase health insurance from the pool. Stark said the pools are for "people with Hodgkin's disease, leukemia or AIDS—people who just can't get insurance." Individuals who benefit from the risk pools would pay a premium covering part of the cost. The rest would be subsidized through general revenues and the proposed tax on employers.

This risk-pooling approach was approved by the Ways and Means Committee last year, and it was included as part of the fiscal 1987 budget reconciliation process. But the risk-pooling provision did not survive a budget conference with the Senate. A risk-pool measure has not been considered in the Senate so far this year.

—Jay Morris
Denise Roach

by Dorothy Dee

Demographic trends suggest that foodservice industry employers, who have traditionally hired large numbers of teenagers, will increasingly look to older workers to fill their staffing needs. Previously dominated by younger people between the ages of 18 and 34, the work force of the future will gradually become top-heavy with people 40 years and older. In fact, by the year 2030, one in three adults will be 55 years of age or older.

This is not a problem, maintains Cyril F. Brickfield, executive director of the American Association of Retired Persons (AARP) in Washington, DC. "Hiring older workers makes good business sense. They bring along years of experience. They value work and know what it means to give a day's work for a day's pay," he told 300 industry professionals attending the recent two-day conference, "Experience at Work: Employing the Older

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For many older workers, retirement is not what it was cracked up to be. After six months away from a job, the level of dissatisfaction for many seniors rises. In fact, studies show that one in three retirees would go back to work for the right opportunity. This is good news for the foodservice industry, which is facing a labor supply crisis created by the dwindling number of teenagers.

While many foodservice companies are still poised on the frontier of hiring seniors, some companies are putting programs in place to tap the older-worker market. They are satisfied that some of the common myths about seniors, which have been employment barriers in the past, have been dismantled by research studies.

5 myths debunked about the older worker

1. Perception by business. Research shows that workers 50 years old and older are perceived quite positively by American business. They are widely valued for their knowledge and experience, work habits and attitudes as well as emotional maturity. In fact, when the marketing and social research firm of Yankelovich, Skelly and White studied human resource decisionmakers at 400 companies in 1985, it found that 72 percent mentioned experience/skill/knowledge as a strength of older workers, and 29 percent cited superior work habits. Older workers received the highest marks on productivity issues, such as attendance/punctuality, commitment to quality and good performance.

2. Health insurance. Contrary to the popular belief that health insurance is more costly for older workers, the Yankelovich study found that human-resource decisionmakers were almost three times as likely to attribute high health insurance costs to young employees with dependents as they were to employees 55 years old and older.

3. On the job accidents. Seniors are not accident-prone. Robert Reid, Ed.D. of James Madison University's College of Business in Harrisonburg, Virginia, told conference attendees about a research study that examined more than 1 million accidents. That study, from the early 1980s, found the accident rate for workers over the age of 65 was virtually half that of workers in their 20s.

4. Intellectual functioning and

Dorothy Dee, formerly manager of media relations for the National Restaurant Association, is now a freelance writer in the Washington, DC, area.

Worker in the Food Service Industry." The conference, presented by AARP and the National Restaurant Association and sponsored by Kentucky Fried Chicken Corp., discussed ways to coax seniors out of retirement as well as the merits and problems of hiring older employees.

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learning. Studies of intellectual functioning completed since 1955 indicate that intelligence remains intact for most people until at least the age of 70. In addition, some abilities, such as judgment, accuracy, certain types of decisionmaking and general knowledge, have been found to increase with age.

5. Health. Research indicates that personal health is a highly individual matter. While some people experience rapid deterioration with age, others see little or no decline. Life expectancy is also on the rise. By the year 2000, the average male can expect to live 81 years and the average female 86.

Seniors enjoy social interaction

Although there is little doubt that seniors can make a valuable contribution to a foodservice establishment, recruitment is not a clearcut process. Older workers are not a homogeneous group. They are a wide spectrum of individuals with varying needs, and these needs should be addressed in recruitment efforts.

When seniors were asked in research studies why they work, social interaction was at the top of the list, followed by having a purpose in life. Economic reasons came in last. In fact, the Social Security penalty continues to act as a disincentive to senior employment. Currently, seniors below the age of 65 are allowed to earn $6,000 before forfeiting $1 for every $2 over that amount. Workers aged 65 to 70 can earn up to $8,160 before the penalty takes effect. After the age of 70, there is no penalty. (In 1990, the penalty will be reduced to $1 for every $3 earned over the threshold amounts.) Consequently, when recruiting older foodservice workers, employers should talk in terms of compensation, not wage. Offering fringe benefits to seniors, such as free or discounted meals, health insurance policies, transportation and other noncash goods, may be powerful recruitment tools.

Other recruitment tips:

☐ In research tests, older individuals consistently identify themselves with pictures of individuals 8 to 15 years younger. Keep this fact in mind when developing recruitment ads and literature; feature older workers somewhat younger than the target group you are aiming for.

☐ Only 2 percent of older individuals consider themselves unemployed, which may be why employment ads in classified sections usually don't attract seniors. Better alternatives are senior citizen centers; senior employment programs; organizations serving the needs of senior citizens in your local area, such as the Office on Aging, Forty Plus and Seniors, Inc.; retirement centers; and church groups. Most seniors (48 percent) consider themselves retired. Twenty-six percent work full time, and 11 percent work part time. Twelve percent are homemakers, and 2 percent are disabled.

□ The participation of older women in the work force has risen slightly while that of older men has decreased. Because women over 50 are twice as likely to be poor and have more of an economic need to work than do men, economic incentives can be effective recruitment tools.

Companies begin to tap older market

Some companies are beginning programs to invite older individuals to join their staffs. McDonald's Corporation of Oakbrook, Illinois, is a leader in the field. Its successful McMasters pro-

10 pointers for recruiting older workers

1. Underscore your commitment to older employees . . . no "age discrimination."

2. Emphasize the value the older individual's skills, experience and maturity will bring to the job.

3. Emphasize the potential the job offers to interact socially with other older individuals and make new friends.

4. Emphasize the possibility of job accommodation and flexible hours tailored to the individual's needs.

5. Highlight fringe benefits, especially health and life insurance.

6. Discuss ways the individual can maintain Social Security benefits through management of hours and income.

7. Discuss any on-the-job training.

8. Emphasize the opportunity to keep on giving and helping others.

9. For some, emphasize growth opportunity and a chance to start a second or third career.

10. In your ads or literature you might ask the question, "Did you retire too soon?"

—Based on a presentation given by Greg Newton, president of Newton and Associates in Boston, at "Experience at Work: Employing the Older Worker in the Food Service Industry."

Percent of teens in industry labor force drops

Recruiting teenagers to work in restaurants is not getting any easier. And this is bad news for restaurant operators, who have employed more young workers than any other industry. The proportion of foodservice workers who are teenagers declined from a high of nearly 32 percent in 1978 to 25 percent in 1986. And the drop is expected to continue, perhaps falling below 20 percent by 1995.

The shift in the labor supply pool is due to lower birth rates in the 1960s and early 1970s and fewer teens entering the labor force.

Fewer teens in foodservice

With fewer teens available to work in the industry, restaurateurs are employing more adults. During the eight-year period since 1978 when teen employment in foodservice occupations dropped by 100,000, adult employment rose by 944,000.

Restaurateurs are also employing a larger share of working teens. In 1978, approximately 8 million teens were employed, and 17 percent worked in foodservice occupations. By 1986, a smaller number—6.5 million teens—were employed but a higher proportion—19.5 percent—worked in foodservice occupations.

More adjustments necessary

At the same time that the number of teens in the labor force is declining, the demand for workers in foodservice occupations is rising. According to Bureau of Labor Statistics, approximately 1.5 million new foodservice jobs will be created between 1984 and 1995—a 22 percent gain.

This means that further changes in the composition of the industry's labor force are likely. Although the industry has adjusted to the teen labor crunch so far, further adjustments will be necessary in the decade ahead.

—Laurence Greenberg

Employment in foodservice occupations[1]

The percentage of teens in foodservice has dropped significantly

	1978	1986	Percent change
Total employment	**4,283**	**5,127**	**19.7%**
16 to 19 year-olds	1,360	1,260	−7.4%
Teens as percent of total foodservice labor force	31.8%	24.6%	N/A[2]

[1] All data in thousands except as indicated

[2] Not applicable

Note: *Data include only those teens employed in foodservice occupations; however, it excludes other teens working in the foodservice industry who are employed in other occupations, such as cashiers or clerical workers.*

Source: Bureau of Labor Statistics

Projected number of 16 to 19 year-olds in the civilian labor force[1]

The number of teenagers in the American labor force is predicted to decline over the next decade

	1986	1995	Percent change
Total	**7,926**	**7,057**	**−11.0%**
Male	4,102	3,750	−8.6
Female	3,824	3,307	−13.5

[1] All data in thousands except as indicated

Source: Bureau of Labor Statistics

gram, based on interviews with 1,000 workers already in the company, was piloted in Baltimore in 1986. It now operates in 17 cities, including Boston, Chicago, Dallas, Memphis, Phoenix, Tulsa and Washington, DC.

McDonald's recruits groups of six, eight or 10 seniors to its McMasters program. "By bringing them in with their own support groups, they are making their own cohesive unit," explains Patricia Brophy, program originator. McMasters trainees work one-on-one with a job coach—a McDonald's manager on leave for one year—and receive 15 to 20 hours of training each week. "We designed jobs we thought older people would enjoy," Brophy says, "positions like salad maker, biscuit maker, host and hostess, maintenance and even some swing management positions if they have store management experience." At the end of a one-month training period, McMasters trainees graduate, receiving a diploma from Hamburger University along with a pin and spatula. Trainees are then mainstreamed into the crew and become employees at one of the company's restaurants.

McDonald's prime-time commercial, "The New Kid," which features an older gentleman preparing for his first day on the job, has gone a long way in carrying the company's recruitment message to older workers and the public.

Kentucky Fried Chicken Corp. (KFC), headquartered in Louisville, Kentucky, has pledged to hire 1,500 older workers in 1987. To attract older workers, KFC has developed a new position of part-time assistant manager, which is designed to meet the older worker's need for stimulating part-time work and good fringe benefits. In addition to competitive salaries, KFC's new part-time assistant managers receive such benefits as medical and life insurance as well as paid vacations and holidays. KFC's new older recruits are also eligible for the company's Career Advancement Program (CAP) which cross-trains employees to perform both customer service and foodservice duties. According to Clara Kinner, KFC's director of public affairs, "CAP gives us a good source of assistant managers, reduces turnover and makes for more efficient store operations."

The Marriott Corporation in Washington, DC, hopes to attract more older workers through flexible work schedules, rotating shifts and part-time positions. According to Pam Farr, Marriott's director of equal employment opportunity and affirmative action, older workers have been targeted as part of the company's customer assistance program. They function as host/problem-solvers in the corporation's fast food restaurants. Seniors are currently recruited through job placement services and senior employment programs, such as Aging in America, which is located in New York City. Through these organizations, Marriott has access to a job bank of qualified older workers who train in one of the company's operations for a period from one week to two months. At the end of the training period, the trainee's job performance is evaluated and the company's needs assessed to determine whether permanent employment is possible. Benefits for Marriott's full-time hourly workers include medical, life and disability insurance; profit-sharing; and stock purchase.

Direct mail campaign begun

Having tried many of the traditional approaches, such as visiting senior citizen centers and church groups, General Mills Restaurants, Inc. of Orlando, Florida, is unrolling a direct mail advertising campaign this fall targeted to obtaining older workers for its York Restaurants in the Boston area. Through the direct mail piece, seniors will be invited to a breakfast at which hosts of the same age group not only help recruit attendees, but also help the company learn more about the dining habits of older individuals. While the company has not yet designed a compensation package specifically tailored to attracting seniors, Tom Higgins, director of employment, maintains that "the key words are flexibility, education and learning."

At the Arby's restaurants in Roanoke, Virginia, seniors are employed as biscuit makers and hostesses who clean tables and serve coffee. According to Arby's Operations Director Steve Haray, one older worker has been with the company for seven years and two others for more than two years. This is no accident. Seniors at the Roanoke Arby's go on company-paid trips once a quarter and have two consecutive days off. In fact, Haray even belongs to a local senior citizen group for the sole purpose of obtaining information on upcoming trips for Arby's seniors, and, when there isn't anything interesting, he takes them on a trip in a company-owned van himself. Haray, a former recruiter in the Marine Corps, hopes to go to retirement homes to speak on the older worker and the foodservice industry.

Locating qualified older workers

Contacting the local affiliates of the following organizations may help you locate qualified older workers:

☐ **Aging in America;** 1500 Pelham Parkway; Bronx, NY 10461; (212) 824-4004 or (800) 845-6900 outside New York state

☐ **American Association of Retired Persons;** 1909 K Street, N.W.; Washington, DC 20049; (202) 872-4700

☐ **Green Thumb, Inc.;** 5111 Leesburg Pike; Falls Church, VA 22041; (703) 820-4990

☐ **National Association for Hispanic Elderly;** 2727 W. 6th Street; Los Angeles, CA 90057; (213) 487-1922

☐ **National Caucus and Center on Black Aged, Inc.;** 1424 K Street, N.W.; Washington, DC 20005; (202) 637-8400

☐ **National Council on the Aging, Inc.;** P.O. Box 7227; Ben Franklin Station; Washington, DC 20044; (202) 479-1200

☐ **National Council of Senior Citizens;** 925 15th Street, N.W.; Washington, DC 20005; (202) 347-8800

☐ **National Urban League, Inc.;** 500 E. 62nd Street; New York, NY 10021; (212) 310-9000

In sum

Older workers may help solve the labor shortage problem demographers are predicting for the years ahead. Already, some foodservice companies are initiating recruitment programs to tap the potential in this population segment. ❑

Editor's note: *If you would like to employ seniors but want another organization to share the financial burden of training, monies are often available through federal, state and/or private funds. To learn more about the Job Training Partnership Act and other programs, contact your state employment service or local private industry council.*

RESTAURANT SOFTWARE COMES OF AGE

Some industry observers predict that the noncomputerized restaurant will be the noncompetitive restaurant in the very near future. The dollar savings from simplifying laborious tasks can be enormous. When one restaurateur computerized his accounting system, for example, he reduced labor in that area from 85 hours a week to five or six hours. As software becomes more industry-specific, such savings will be available in other areas.

by Kathy Boyle

Three years ago, restaurateur Thomas J. Purdie took off his apron, sat down at the computer, hired his own programmer and started developing computer software programs for his own large-volume restaurant and nightclub, Purdy's on Franklin in Chapel Hill, North Carolina. The reason? "There were no adequate computer software programs available to do sales analysis just for restaurants," says Purdie. What became a problemsolving exercise has turned into a new career. Today, Purdie is president and founder of his own restaurant software company, Applied Control Systems in Research Triangle Park, North Carolina, which offers 29 different computer software modules used in 1,560 restaurants in 15 states. His story is only one example of what has been a revolution in restaurant technology.

Other restaurateurs no longer have to go to the same trouble to develop their own software—programs that tell their computers what they want done and how. Although computers are still changing, much of the initial legwork has been done in developing durable restaurant equipment and reliable software programs to run on that equipment. In addition, a growing number of reputable software companies now offer a myriad of off-the-shelf computer solutions for most types of restaurants and many specialized purposes. For example, TEC America in Torrance, California, has developed the Pizza Point-of-Sale System to improve the efficiency and profitability of pizza restaurants. And Inside Resources, Inc. in Carol Stream, Illinois, has developed IRCA-MINDER, a software program designed to facilitate compliance with the Immigration and Control Act of 1986 (IRCA).

"Today there is no good reason to write your own software," believes Rob Grimes, POS services group manager, information systems division, Marriott Corporation in Washington, DC. "Instead, you should buy someone else's experience. Buy a good package with a good user base that is well-tested."

The key is to choose the right software for your particular restaurant operation. "The main thing is to ask as many questions as possible," says Joerg Eichelberger, vice president and general manager of the Greenspring Inn, a 400-seat restaurant dining club in Lutherville, Maryland.

Technological evolution

Computer software is typically divided between front-of-the-house operational functions—information entered into cash registers known as point-of-sale (POS) equipment and remote printers to the kitchen—and back-of-the-house personal computers which typically do accounting, payroll and inventory.

According to Grimes of Marriott, "Point-of-sale vendors developed the first true restaurant management systems to justify their price tag of several thousand dollars. When POS vendors could say, 'Look at all the other things this system can do—such as inventory, sales analysis'—the expenditure did not seem that large."

Most POS vendors, however, developed software for back-office functions that ran on their own equipment. What

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Kathy Boyle is a freelance writer in the Washington, DC area who writes frequently for **Restaurants USA**

Computer software/hardware checklist

When investigating software and hardware systems, it is often helpful to devise a checklist to standardize information from different vendors. Checklists can be as complex or as simple as needed. The following is a fairly detailed checklist developed by Squire's Cafe Inc. in Baltimore, Maryland. For further ideas on how to develop your own workable checklist, see the National Restaurant Association's Directory of Computer Hardware and Software for the Foodservice Industry.

A. Hardware configuration

1. Operating system used? ______
2. What kind of processer is required? ______
3. Modem required? ______
4. Minimum memory required? ______
5. Printer required? ______
6. Hard disk required? ______

B. General program/software

1. Is the **program menu driven?** ______
    - Maximum number of orders computer buffer is able to store? ______
2. Is the **program flexible?** ______
    - Will it be able to handle a change in operation without extensive modification? ______
3. **Longevity**
    - What is the expected lifecycle? ______
    - If the package is several years old, will the vendor be able to extend its usefulness? ______
4. **Data files format**
    - Are files usable by our other programs? ______
5. Are **adequate controls** built into the system? ______
    - Is there adequate data entry error checking? ______
    - Is it easy to understand? ______
    - Is it sufficiently documented? ______
6. Are **screen displays** easy to understand, clear and effective? ______
7. **Reports:**
    - Are your operation's required reports included? ______
    - Are extraneous reports automatically printed or printed on demand? ______
    - Is the program flexible as far as the information accessibility? ______
    - is program password protected? ______
    - Are periodic reporting functions available? ______
    - What kind and how often printed out? ______
    - Are reports modifiable for future changes? ______

C. Language

1. **Language written in?** ______
2. Is the **source code** available with the program? ______
    - Will the source code be available if vendor goes out of business or discontinues support? ______
3. **Cost** for modifications, customization, upgrades? ______

D. Program features

1. **Maximum number of servers** able to support? ______
2. **Employee scheduling:**
    - Kitchen scheduling? ______
    - Bar scheduling? ______
    - Waitstaff scheduling? ______
      By section? ______
3. Is a **timeclock program** an integral part of system? ______
    - Does it report directly to payroll program? ______
4. **Maitre d' functions:**
    - Are sections supported automatically? ______
      If so, can automatic sections be bypassed for manual entry? ______
5. **Waitstaff paging system:**
    - By CRT? ______ By number paging? ______ By beeper paging? ______
6. **Time stamp order?** ______
    - By time ordered? ______
      Time cooked? ______
      Time served? ______
      Time check is paid? ______
7. **Is there an employee meal deduction?** ______
    - By amount per shift? ______
      By amount per hour? ______
8. **Does the program include special instructions to chef?** ______
9. **Revenue categories?** ______
    - How many? ______ Programmed by user? ______ Set by program? ______

E. System features

1. **Price look-ups (PLUs):**
    - Total available? ______
    - Number as standard? ______
    - Number as optional? ______
      Price of optional PLUs? ______
    - Cost of PLU upgrade per POS? ______
    - Report available for PLU sales? ______
2. **Department keys:**
    - Number standard? ______ Expandable to how many? ______
3. **Number of terminals supported?** ______
    - Hardware limitation? ______
      Software limitations? ______
      Terminals programmable simultaneously? ______
      From a central keyboard? ______
    - Support inter-register communications? ______
    - How many price levels supported? ______
4. **Printers:**
    - Number of possible support printers in kitchen? ______
      Remote printers? ______
      Slip printers? ______
    - Maximum distance from point-of-sale devices to remote kitchen printers? ______
    - Does printer print waitstaff name? ______ Number? ______ Section? ______ Dining room? ______
      Table number? ______
    - Is printing of zero-priced items optional? ______
    - Does printer consolidate identical items? ______
    - How many type sizes on work order printouts? ______
    - If slip printer system, does it use standard and/or custom printed guest checks? ______
    - If standard 80 column printer, does it use custom and/or standard guest check forms? ______
      Custom messages possible? ______ Number of lines? ______

F. System shutdown

1. What will it take to bring whole system down? ______
    - Hard disk down? ______
    - One network terminal down? ______
    - Central CPU down? ______
2. Will the system warn users if a printer in the system is turned off? ______ How will it issue the warning? ______
3. What is the point-of-sale device replacement cost? ______
    - Microprocessing register? ______
    - Networked computer terminal? ______
    - Multiuser computer terminal? ______

G. End user information

1. Has the system been proven in commercial operation? ______
2. How long has the system been in use? ______
3. Is there a list of end users available to contact? ______

H. Pricing and costing

1. Is the combination of base price, plus modifications, plus extra charges for optional features likely to stay with budget? ______
2. Are all the details of purchase, additional features, documentation, training, installation and future support spelled out in contract? ______

I. Documentation/contract

1. Are documentation, programs, maintenance and support clearly defined and stated? ______
2. Is contract consistent with verbal descriptions from supplier? ______
3. Does vendor claim any specific response time under specific conditions? ______
4. Are manuals easy to read? ______
    - Sufficiently describe: Data input? ______ Data output? ______ Operation? ______ Audit controls? ______

this meant is that a restaurateur bought the whole system from one vendor, and, to a great extent, was tied to that hardware vendor. Today, however, restaurants do not have to buy a bundled system. The computer market has evolved much like the stereo market of years past. Now, computer companies are selling modules just like stereo equipment stores sell components. You can buy hardware from one vendor and software from another—a point-of-sale system from one company and a time clock from another—and then link them in various ways with a personal computer to create a total system. Moreover, operators who are already on a system can update their information capabilities by matching products from different vendors.

Not all systems are meant to be mixed and matched. Single-source suppliers are still thriving because some operators, especially those with one unit, often prefer to buy a complete system because it takes less effort and expertise than trying to match components. In some cases, these suppliers customize the software at prices that are lower than those found by purchasing packages piecemeal. A single-source supplier is equipped to market not only hardware and software, but also financing and services. Some offer diagnostic and repair services over the telephone.

Another major difference in today's software market is that many packages are integrated so that data in these packages can be automatically merged. For example, an operator may have an ingredient file and a recipe file. If the two packages are integrated, cost changes entered into the ingredient file are automatically entered into the recipe file. Software companies can sell one piece of an integrated package or the whole series of integrated pieces in a module.

Many operators are thrilled with the new ability to network information in a circular fashion from the front of the house to the back. In fact, this type of integration is becoming the new standard in restaurant computer software because it allows managers to be on the floor running the shift, not in the back doing office work. Data from the dining room keys into reports in the back office.

A good starting place

If you are shopping for software, an excellent starting place is the National Restaurant Association's new guidebook, *Directory of Computer Hardware and Software for the Foodservice Industry* by Joel Chaban. The directory lists approximately 600 products—400 software products and 150 hardware products as well as miscellaneous items designed and developed specifically for the foodservice industry. By using the directory, an operator who has already invested in specific hardware can easily choose compatible software. Alternatively, an operator who has not invested in equipment can browse through the software category to find software tailored to his or her needs and can then pinpoint the hardware equipment that is most compatible.

The search has its complexities,

Creating a customized labor scheduling system

Restaurateurs David and Rick Webb ran into problems shortly after they opened Winfield Potter's, a large Victorian restaurant that occupies a renovated warehouse loft along the Mississippi River in Minneapolis, Minnesota.

The brothers owned half a dozen active and thriving eateries in the Twin Cities area and were old hands at the restaurant game. But the 150-employee staff at Winfield Potter's was too large for the Webbs to manage with the conventional systems that worked at their smaller dining spots.

The Webbs were using computerized cash registers to tally employee time, but they were unhappy because the machines didn't provide a system for time management. They did nothing beyond providing an automated way to keep track of hours for the payroll.

So the brothers looked to the timekeeping industry for a solution. What they wanted was a system to monitor the schedule itself while remaining flexible enough to handle variations specific to the restaurant industry.

Six criteria for system

When they could find nothing to suit their needs, the Webbs decided to design their own system. They worked with computer engineers and developed six criteria they wanted the system to include:

1) All benefits of existing timekeeping systems, including automated payroll handling

2) The ability to schedule labor efficiently and alert managers to any deviations that would create unauthorized overtime charges

3) The ability to produce practical management reports that could be used every day

4) Tracking functions that would take into account employees who worked different jobs at different pay rates, without need for managers to monitor the system

5) Detailed analysis of labor costs on a daily basis and

6) A unit that would be useful in a wide variety of industries with large hourly labor pools. The result was TimeManager—a system that consists of an employee terminal unit (ETU) and software plus a separately purchased personal computer (PC-DOS or MS-DOS-compatible PC), keyboard and printer. The ETU is 32-inches high, 11-inches wide, 6¾-inches deep, and mounts easily on the wall.

How the system works

The restaurant manager organizes the employee schedules and enters them into the system via the PC. When employees arrive at the restaurant, they enter their ID numbers into the TimeManager keyboard and receive a receipt that confirms their scheduled time. The procedure is repeated at the end of the shift, with the receipt adding cumulative totals of hours worked in the pay period.

In addition to keeping a tight control over day-to-day labor costs, the TimeManager assists management in a variety of other ways. For example, the system can manage a large variety of job categories, reflect varying pay scales, report tip income as required and provide differing clock-out buffers.

however. For example, if you are looking for food costing software, you should explore how the vendor calculates food costing. One might cost the item when it is received (the retail approach), another might cost it when it is issued from the storeroom to the production area and a third might cost it on the day it is sold. Therefore, it is important to select a software package that uses the same bases that you currently use in your operation.

Do a general survey

Next, call on other restaurateurs who have installed a computer or are thinking about it or attend a trade show where vendors line up side-by-side. Most experts agree that the best products often come from companies that have targeted restaurants as clients.

Lorenzo Romiti, owner of Squire's Restaurant, a 254-seat restaurant in Baltimore, Maryland, was so determined to stay abreast of computer developments that he enrolled in a nearby community college to learn about the field. A byproduct of his training was a software purchase checklist he used to evaluate products—including the point-of-sale system he bought which has cut order delivery time in half—from 33 minutes to 17. "I have 1,200 named and numbered food items, so I wanted a software system large enough to handle this," he explains. The checklist he used is reprinted as a sidebar to this article.

Maintain flexibility

Operators who have been through the buying and installation of computer equipment and software maintain that good software should not be hardware-dependent. Software that runs on an IBM or IBM-compatible system, for example, is probably a safe bet because it operates in a standard language. Some vendors do, however, continue to write software products in a unique code because it keeps restaurateurs in their family of products. Generally, experts advise against such a move because it limits an operator's flexibility and the ability to take advantage of new products.

Matching pieces together, however, can take research and planning as Amy Giles, manager of data processing for The Levy Restaurants in Chicago, discovered. The company, which has 25 diverse restaurants, is in the process of finding a computer that will dovetail with its POS system. Giles explains: "We are crazy about the POS system we bought 10 months ago. The registers are durable, and we have had no problems. So, we wanted software that matched." Fortunately, there were several compatible companies.

Service from the dealer

Restaurant operators agree that service is a key criterion for choosing one vendor over another. Giles of The Levy Restaurants addresses this issue: "With so many software and hardware vendors out there, and many of their products essentially the same, look for vendors that are professional, sophisticated and helpful." Purdie concurs, "There are a number of good companies out there. But check each company's support and their installation capabilities. Determine if their system is tailored to fit your service and growth needs." Look at the maintenance contract. Determine how easy it will be to get servicing, ie., is there a hotline or support desk? Find out about updates. Will you receive future enhancements or improvements in software as they become available, and will these be free or not?

And be sure to find out what happens if a vendor goes out of business. "Be suspicious of a vendor who says 'Our system will talk to everything,'" advises Grimes of the Marriott Corporation. "Unless I am sure they have had experience writing interfaces for 10 to 15 types of machines, I stay away. With more and more types of systems on the market, I would look for a good back-office system with interfaces already written or at least make sure the company had a good track record in writing interfaces."

In sum

More restaurant-specific computer products will continue to develop. But the current state of technology is such that a restaurateur does not have to be a computer expert to get a computer and buy the proper software to drive it. ❑

The system has the capability to communicate with an outside company that does payroll for the restaurant. Management reports are available daily and include labor hours, dollars, percentages and meals per man hour, budget forecasts, reported tips as a percentage of sales, tip summaries by employee or by category, overtime alert reports and employee work schedules.

System affects bottom line

"The system was first used at Winfield Potter's. As we continued refining it, we installed it in our other locations. While we had always considered our organization to be very labor-efficient, TimeManager allowed us to cut our labor costs and increase our bottom line by more than 10 percent," says Webb.

Because the system produced such dramatic results, the Time Management Corporation was founded in late 1985. By early 1986, systems were in place with several operators, including Stuart Anderson's Cattle Co., Omni Ventures' Primavera Restaurant, and Ed Deberic's in Chicago.

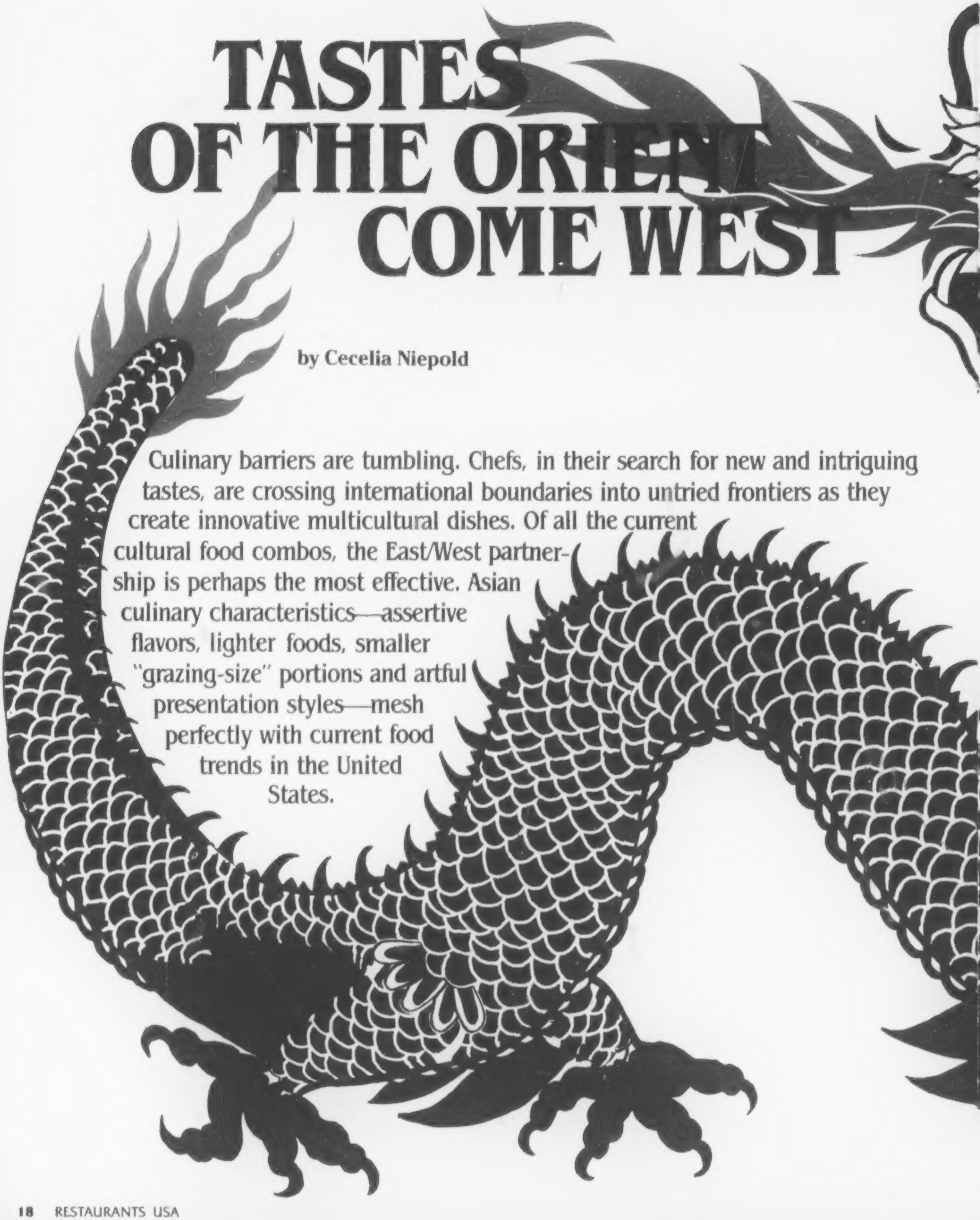
Amy Giles, manager of data processing for The Levy Restaurants in Chicago, gives the system rave reviews: "After we installed the system, we did a detailed analysis to see if we were getting savings. Over a 14-week period, reviewing seven payrolls, we found that we saved $17,000. We went to great lengths in the analysis to make sure we were comparing representative time periods since the savings were so startling," she says.

The TimeManager system is sold as an installed system and ranges in price from $8,000 to $10,000. The system includes TimeManager software, the ETU, setup at the customer site, training and the first year's service agreement. The service agreement covers total system software maintenance and hardware maintenance for the ETU. It is currently priced at $1,000 per year; users with questions can call the TimeManager Hotline 24 hours a day, including weekends and holidays.

"We have some 35 units in place at this time," says Norman Sidley, executive vice president responsible for strategy and new markets. "We expect to establish a major presence in Los Angeles, Chicago and Dallas before the end of 1987."

TASTES OF THE ORIENT COME WEST

by Cecelia Niepold



Culinary barriers are tumbling. Chefs, in their search for new and intriguing tastes, are crossing international boundaries into untried frontiers as they create innovative multicultural dishes. Of all the current cultural food combos, the East/West partnership is perhaps the most effective. Asian culinary characteristics—assertive flavors, lighter foods, smaller "grazing-size" portions and artful presentation styles—mesh perfectly with current food trends in the United States.

Suzani

Fried Carpaccio of Salmon Chinois. Imagine: A thinly sliced, marinated strip of uncooked salmon centered with a green scallion, rolled up with white rice in a seaweed wrapper, batter-fried to a crunchy crispness and then served atop a light chive/butter sauce. Although this menu item at first seems strangely contradictory, the colors of the sliced medallions—the pink salmon, green scallion, white rice and dark slash of seaweed—create a pleasing contrast as does the combination of cooked/uncooked, crispy/smooth textures.

Alexander Dering, executive chef at Arnie's in Chicago, often reaches for the colors and flavors of the East. "Although my training is in classical French cooking, I like the freedom of mixing and matching techniques," he says. "The sauce (in *Fried Carpaccio of Salmon Chinois*) is made in the French style, but the rest of the dish is an Oriental inspiration. Together, they make the kind of interesting contrast I look for."

A different interpretation of a similar idea is being served at the Five Feet Restaurant in Laguna Beach, California, a contemporary Asian eatery. Instead of combining Asian techniques with those of France, chef Michael Kang has incorporated a Cajun influence to produce *Blackened Sashimi.* In Kang's dish, chunks of Hawaiian tuna are rolled in a spicy mixture of cayenne and Szechuan peppers and blackened in a wok lightly coated with sesame oil.

As in Dering's dish, the high heat cooks only the outer edge of the fish, leaving the interior raw. A colorful array of grapefruit and lemon slices, daikon (radish) sprouts and raspberries surrounds the sashimi. "The fruit is a nice contrast and serves to balance the complexity of the spices, almost working as a palate cleanser," says Kang. A pungent sauce of *wasabi* (Chinese horseradish), soy sauce and wine vinegar adds a subtle tartness to the dish.

Kang's dish is a result of his restaurant's concentration on crosscultural cooking. "People are looking for multi-dimensional, rather than one-dimensional, tastes," asserts Kang. "Combin-

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Cecelia Niepold is managing editor of **Restaurants USA.**

ing Asian and American flavors offers that kind of eclectic experience."

Dering and Kang are not alone in selectively choosing among the colorful array of Eastern flavors to produce combinations that best fit their own styles. In fact, the marriage of Eastern and Western ideas is appearing on menus across the country, from distinctive combinations of classically Western and Asian techniques to totally new "Americanized" dishes.

American versions of Asian favorites

As Asian tastes and techniques become more assimilated into the American mainstream, it is inevitable that totally new dishes will be born. Not only is sashimi taking on a Western look and taste, so are other traditional Asian trademarks, such as sushi, egg rolls and wontons.

For instance, at Wolensky's, an American-style eatery in Washington, DC, chef Yorihiro Takata is Westernizing the traditional sushi concept by combining cooked foods instead of raw fish with the familiar white rice and seaweed wrappers. Items, such as poached chicken wrapped in seaweed and topped with a tangy mustard sauce and colorful spinach/red pepper sushi rolls, are tempting Americans who may be reluctant to eat raw fish.

"We believe sushi is a wonderful food style that should not necessarily be limited to traditional Japanese ingredients," explains Allan Borut, one of the partners. "We are committed to serving American-style food," he continues, "but we wanted to make people feel more comfortable trying a dish they may have previously shied away from."

Although the ingredients may be American, chef Takata takes pride in ensuring the artful presentation remains authentically Japanese. Scalloped ginger accompanies each dish, and orders are thoughtfully arranged on platters to provide a pleasing symmetry.

The familiar egg roll is not immune from experimentation. Chefs are sauteeing, steaming and even baking this traditional Asian appetizer, combining such nontraditional ingredients as spicy Cajun sausages, goat cheese, sundried tomatoes and even Tex-Mex flavored fillings. (See article on cross-cultural egg roll adaptations on page 24.)

Wontons, too, have been adapted successfully. Helen Wasserman, owner of Helen's, a fine dining restaurant in Washington, DC, recalls that her staff was resistant at first. "When I wanted to put simple cheese wontons on my menu, my chefs laughed at me," she remembers. She got the last laugh. The wontons became top sellers. "I wish I had as many customers as I sell wontons," she muses.

Using Asian styles to spice up menus

However, not all chefs are creating new interpretations of Asian classics. Many are using Asian ingredients and styles to spice up their menus.

□ **Adding flavor.** One of the hallmarks of Asian cuisine is its wide array of pungent spices and sauces, such as ginger, lemon grass, and soy and fish sauces. Many restaurateurs are exploring these flavors and using them to add a new dimension to traditional dishes. "Anything Oriental is a good seller because it's different," maintains Helen Wasserman of Helen's. "We use a wide variety of Oriental herbs and sauces and mix them up with lots of different dishes, such as swordfish, chicken and fresh tuna, and people seem to love them."

Marvin Paige, president of Claire Restaurant in New York City, has also found that adding Asian spices can enhance a menu. "I don't consider us a Chinese restaurant in any way," he maintains. "We just do what gives us the best flavor and have found the Asian/American blend to be very popular." Specializing in fresh, indigenous products, the menu at Claire offers such tempting fare as panfried Virginia catfish prepared with jalapeno peppers and topped with a slightly sweet Asian sauce.

Chefs are also using Asian flavors to please customers who are looking for light—but not bland—healthful foods. "If people are into eating light foods, they may have ordered the same chicken or seafood dish a dozen times," says Stewart Parsons, executive chef at Gordon's, an eclectic eatery in Chicago. "Adding a spicy Eastern flavor to a basic dish gives it a new flair." For instance, he serves a grilled salmon dish with a pungent mustard glaze because "the spiciness of the sauce adds a distinctive flavor."

"People are looking for multidimensional, rather than one-dimensional, tastes. Combining Asian and American flavors offers that kind of eclectic experience."

□ **Incorporating presentation techniques.** Asian plates generally incorporate a lively interplay of contrasting flavors and colors. Foods are cut in varying shapes and sizes, cooked in different ways and then thoughtfully combined to present a pleasing, vibrant whole. While the look can vary, from the symmetry of the Japanese to the casual nonchalance of the Thai, more American chefs are building on the Asian concept of contrast in their plate presentations.

Alexander Dering at Arnie's serves a Mandarin summer salad with a sizzling Thai chicken dish because it "presents a nice contrast of colors and textures." The chicken, coated with crunchy bread crumbs, is sliced thinly and fanned on top of a rich sauce made of soy, cream of coconut and peanuts. The accompanying salad is presented in a cup shaped from the base of radicchio lettuce and filled with colorful julienne vegetables tossed in a very light sweet and sour sauce. The browns of the sauce, brightness of the vegetables, and pink and green of the lettuce paint a very pleasing picture.

Stewart Parsons at Gordon's has incorporated some of the "less disciplined" Thai techniques on his menu. "I don't like food that looks like it has been overly designed," says Parsons, "and the Thai tradition is to give foods a 'colorfully casual' look." For instance, he serves a grilled snapper with a hot Thai relish made with cucumbers, hot Thai peppers, fruit and vinegar. The dish is presented with the relish falling off to one side of the snapper. "It's not only a natural look, but it also allows patrons to better see the contrast between the fish and the relish," he explains.

□ **Adding menu items.** Some restaurateurs are finding that adding Asian items to their menus helps round out their overall selection. Alexander Dering, who serves Asian dishes primarily as appetizers or specials, explains that the items "add a little romance" to Arnie's diverse menu.

Even mainstream American restaurants are finding that adding Asian-influenced items to their menus can be a winning combination. Bennigan's, the 208-unit, casual-theme chain based in Dallas, added several Asian items nationally in February. "We found our customers wanted a spicier fare, so to give them more choice we added a separate Oriental category to the menu," says Jodie Hughes, director of public relations. The eight items, rang-

Distinctive characteristics of 5 Asian cuisines

Because there is such a wide variety of Asian preparation styles and ingredients, these general characteristics of several major cuisines may help you make your own culinary connection with the Far East.

Chinese

□ There are four major Chinese cuisines: Classical Peking, rich Shanghai, delicate Cantonese and fiery Szechuan-Hunan.

□ The Chinese style of cooking and presentation is based on the ancient philosophy of balancing *yin* and *yang*—"harmony arises from the proper blend of opposites." Ingredients are often paired to achieve rounder, more complex flavors.

□ Most Chinese dishes are based on five traditional flavors—salty, sweet, sour, bitter and hot. Tastes are blended so no one flavor overpowers another.

Common ingredients are bean curd, oyster and soy sauces, ginger, water chestnuts, pork, poultry, mushrooms, vegetables and thickened cornstarch sauces.

Preparation methods feature stir frying, steaming and roasting.

Japanese

□ The Japanese strive to highlight each ingredient's flavor to achieve composite color, texture or taste.

□ The Japanese emphasize the law of opposites in their presentation—round paired with square, hard with soft. Food colors are chosen to create artistic contracts.

□ The focus of this cuisine is on fresh tastes; nothing is overcooked to enable the food—not its preparation—to stand out.

Common ingredients are soy sauce, rice wine, chicken, beef, many vegetables, rice, teriyaki and raw fish.

Preparation:

□ Raw fish presentations predominate, both with vinegared rice and seaweed wrappers (sushi) and without (sashimi).

□ Grilling marinated items is also popular.

□ Tempura-style cooking—coating food with light, crispy batters and quickly deep frying is another signature.

Korean

□ This cuisine features colorful, spicy fare with rich hues and flavors.

Common ingredients:

□ The use of beef is more common than in most Asian cuisines. Two of the most popular entrees are *Kal bi* (beef short ribs) and *Bul gogi* (thinly sliced beef). Both are marinated in soy sauce, scallions and toasted sesame seeds and charcoal-grilled.

□ Spices include garlic, ginger, black pepper, scallions, soy sauce, sesame oil and toasted sesame seeds.

□ *Kim chee* (pickled vegetables), ranging from mildly salted marinated seaweed to very hot cabbage, is served with almost everything.

Preparation methods feature grilling, marinating and liberal use of seasonings.

Thai

□ This cuisine is characterized by spicy foods with many rich red, gold and orange hues. As with Chinese cuisine, the emphasis is on balancing flavors so they complement one another.

□ Cooking is done quickly. Most of the time in the kitchen is spent on preparation and presentation, such as intricately carving fruits and vegetables.

Common ingredients:

□ Many dishes are flavored with coconut milk, which cools down flavors.

□ Thai cooking includes a broad range of seasonings: many citrus flavorings, such as turmeric (orange-flavored spice), lemon grass or fresh fruits; coriander; galanga (very pungent type of ginger); dill; mint; anise-scented basil; scallions; chili peppers; garlic and fish sauce.

□ Typical accompaniments: rice, rice noodles, egg noodles, bean threads (also called cellophane noodles), straw mushrooms, ground peanuts, curries and different kinds of bananas.

Preparation:

□ Thickened cornstarch sauces are not used.

□ Stir frying, steaming and grilling over coals are the most popular preparation styles.

Vietnamese

□ This cuisine resembles Thai cooking but includes Cantonese, Indian and Korean flavors.

□ It features lighter food, sometimes called "Oriental nouvelle cuisine."

Common ingredients:

□ Although not as hot as Thai cooking, this cuisine uses many of the same ingredients: coriander, lemon grass, garlic and shallots.

□ The Vietnamese rarely use soy sauce; instead, they use fish sauce—a clear, amber liquid usually made with anchovies and salt. Fish sauce is also used as a base for Vietnamese table salt, a combination that includes garlic, chili peppers, fresh lime and sugar.

□ Fresh, uncooked vegetables and salads are an integral part of meals.

Preparation:

□ Use of oil is minimal; dishes are generally simmered.

□ Cornstarch or other thickening agents are not used.

ing from sweet and sour sesame chicken to an exotic Asian fried ice cream—a scoop of vanilla ice cream rolled in fried egg roll wrapper crumbs, ginger and brown sugar and then quick-fried and topped with hot plum sauce—increased overall sales more than three points after they were introduced. Even McDonald's restaurants are offering an Oriental chicken salad, complete with its own chopsticks.

Combining classically Western and Asian techniques

Chefs trained in the French tradition are discovering that their classical European backgrounds mesh well with the flavors and techniques of Asia. As the availability of Asian products expands in the United States, more chefs are realizing how natural the partnership can be. "Both Asia and France have highly developed, very identifiable cooking styles," asserts Leslee Reis, chef/partner at Bodega Bay in Chicago, which serves several Thai and Chinese items on its eclectic menu. "The cuisines work well together because they have both evolved from very food-oriented cultures."

Attesting to the strength of the combination is the emergence of restaurants specializing in French/Japanese and French/Chinese dishes. "I think French and Chinese cooking is a great partnership," says Kazuto Matsuska, executive chef at Chinois on Main in Santa Monica, California, who, with owner Wolfgang Puck, is one of the forerunners of the Chinese/French concept. Matsuska uses many traditional French techniques and classic ingredients, such as rich butter and cream sauces, as the foundation for many of his dishes. He then adds Oriental ingredients. One of his newest dishes is a "soup salad," which pairs a French-style chicken consomme with fresh, crispy vegetables, pine nuts and spicy Chinese herbs.

Taking a slightly different tack is Susumu Fukui, executive chef at La Petit Chaya in Los Angeles. He focuses more closely on combining French and Japanese flavors. Unlike Matsuska, who utilizes rich French sauces, Fukui prefers to use lighter Japanese sauces because he believes these "make each ingredient's flavor stand out." For instance, his sauteed shellfish dish with oysters, scallops, mussels, baby abalone and panfried lobster claws is sauteed in olive oil with shallots, thyme and tarragon. As a finishing touch, he adds a Japanese lime-flavored *yuzu* sauce. "It is not quite as heavy as a French sauce, takes less time to make and allows diners to taste each flavor," Fukui explains.

In Canada, the combination of French and Japanese cooking has taken off so strongly that it has even garnered its own label, "Frapanese." Herbert Pryke, executive chef at the World Trade Center in Toronto, believes one of the reasons for its popularity is the perceived lightness of Japanese fare. "People feel like they can enjoy the substance of a French meal with the lighter calories of a Japanese meal," he explains.

Striving for authenticity

At the other end of the spectrum are restaurateurs who are focusing primarily on authentic Asian fare, adding only a touch of their Western background or training to "contemporize" Asian traditions. Barbara Tropp, a Chinese scholar and the chef/owner of China Moon Cafe in San Francisco, has developed her concept with this in mind. "My whole kitchen is predicated on ginger and soy sauce," she explains. "I use Western ingredients in only a superficial manner." Even so, she has incorporated some Western ideas into her primarily Chinese menu to keep up with current trends and food preferences. "Because I am also interested in working with fresh products and current food trends, my food is somewhat lighter and less greasy than traditional Chinese fare, and I don't use thick cornstarch sauces," she says. For instance, she has adopted the French manner of baking fish fillets in parchment to ensure moistness. "Chinese cooks never baked fish; they didn't have ovens," laughs Tropp, "but I have added my own Chinese culture to the dish, marinating the fish in soy sauce, Chinese rice wine and sesame oil and dressing it with scallions and garlic."

Mary Sue Milliken and partner Susan Feniger of The City Restaurant in Los Angeles believe authenticity is so important to their concept that they take time out each year to experience the indigenous flavors of the East. They travel to India and Asia and actually work with professional chefs to get "hands-on" experience. Consequently, their menu includes a wide variety of Eastern flavors, such as a colorful, Chinese charred sausage salad served

Common ingredients in Asian cooking

☐ **Bean threads.** Also known as long rice, fun see and cellophane noodles, bean threads are fine, dried noodles made from mung bean flour. They should be soaked 15 to 30 minutes in warm water before using.

☐ **Coconut milk** gives body to sauces and gravies. It thickens when heated and has a sweet fragrance.

☐ **Coriander** is also known as Chinese parsley and cilantro. The leaves are usually used for garnishing sauces, soups and salads. The roots can be simmered in clear soup broths and used with garlic, black pepper and salt when frying. Fresh coriander will remain fresh for about 10 days in the refrigerator if the roots are kept in water and the leaves are covered by a plastic bag.

☐ **Fish sauce.** This translucent, salty brown sauce is milder than soy sauce. It is the liquid that runs off when salting down fish (usually anchovies) packed in wooden barrels. The liquid is collected, cooked and bottled. Although its odor is strong when uncooked, it mellows upon cooking.

☐ **Lemon grass.** Also called citronella, this spice has a distinctive lemony flavor. Its usual preparation method is to crush the lower part of the stalk and chop finely. Shredded lemon peel can be used as a substitute.

☐ **Oyster sauce** is a thickened, brown sauce of oyster juices and salt. It is used both as a flavoring and as a condiment.

☐ **Mirin** is sweetened, almost syrupy Japanese cooking wine.

☐ **Soy sauce** is made from soy beans, flour, salt and water. Light soy sauces are thinner in consistency, lighter in color and saltier than dark soy sauces. They are best used with shrimp, chicken and pork. Dark soy sauce is sweetened with molasses and is best used with red meats, roasting or adding a richer color to sauces.

☐ **Tamarind** is an acidic spice with a slight sweet and sour flavor. Both the pulp and young tiny leaves are edible. It is available in green, ripe, dried, preserved, canned or liquid forms.

chilled with celery leaves, serrano chiles, cucumbers and a lime/garlic dressing. Milliken admits her French background does affect the restaurant's cooking style. "We are ethnically influenced, but we still keep our French training in mind when preparing the dishes," explains Milliken. "There are times when we refine what we have learned in other countries to produce what we feel are the best dishes possible." For instance, her curries are not "overcooked," as is customary in India, to achieve a "richer, more contemporary flavor."

"Both chefs and customers have become more adventurous in the last five years; the old rules are being thrown away to create a new range of flavors."

Tips on adding Asian flavor to your menu

There are as many ways to add the taste of the Orient to your menu as there are Asian spices. Many chefs suggest starting off small at first, simply combining Eastern flavors with traditional dishes or offering a bright Thai salad or curry as specials. Leslee Reis of Bodega Bay in Chicago explains how she gained familiarity with Asian products. "I ate, read, cooked and tasted," she says. "It's a good idea to learn how to work with a few basics first, such as sesame oil, fresh coriander and ginger."

Ruth Law, owner of the What's Cooking cooking school in Chicago, believes adding a few flavorful ingredients can easily spice up a menu. "Get to know the tastes of the different spices and ingredients," she suggests. "Then, combine those flavors with American food. For instance, add cinnamon sticks, cardamom and anise to rice to make it more pungent or try vegetables, cashews, raisins or even pineapple to create a different texture."

After gaining a little familiarity with products, don't be afraid to experiment. Blending East/West flavors offers a perfect opportunity to stretch your imagination. Michael Roberts, chef/owner of Trumps in Los Angeles and author of the soon-to-be-published *Secret Ingredients,* which offers suggestions for creatively improvising with ingredients, advises chefs to "make up your own rules, create your own authenticity." He suggests that chefs taste each spice or ingredient separately when developing a new recipe and then blend them together one-by-one, tasting each combination to understand how the different levels of flavors work together. For instance, he has found through experimenting that "cilantro works terrifically well with mint and dill and that ginger and garlic are particularly good candied together."

Be careful, however, when combining the more pungent spices of the Orient. Stewart Parsons of Gordon's notes that fattier fish work best with fiery spices because they "have enough depth to stand up to the spiciness." He suggests using fish, such as grilled snapper, swordfish and tuna, with pungent Thai relishes and glazes.

How you use spices in preparation is also key. For instance, Barbara Tropp points out that Asian cuisine is oil-based, rather than butter-based, which changes the way spices should be used. "In French cooking, spices are added at the finishing stages of a sauce to prevent the cream from overpowering them," she says. "But, in Asian stir-frying, spices should be added at the beginning; otherwise, they will not reach their full depth of flavor."

Sauces and marinades are another flavorful way to add an Asian touch to your menu. Because there are so many choices among sauces, however, the best way to experiment with them is to try new combinations of ingredients. For instance, there are many different types of fish sauces, each with its own distinct flavor. "The only way I figured out whether I wanted to use a squid, anchovy or shrimp-based sauce was to taste each one," says Leslee Reis.

There are also different kinds of soy sauce available. Chef Susumu Fukui at La Petit Chaya uses soy sauce cautiously because "it can kill ingredients' flavors if used too heavily." He suggests using soy primarily with full-bodied foods, such as tuna, rather than halibut, for example. Kazuto Matsuska at Chinois on Main has found that Chinese soy sauce (also called mushroom soy) has a good flavor and is not quite as salty as Japanese soy sauce. He marinates lamb chops in a combination of the Chinese soy, mirin and sweet saki for half an hour with fresh garlic. "It makes them tender and particularly flavorful when grilled and served with a mint cilantro sauce with rice wine vinegar, peanut oil and egg whites," says Matsuska.

Once you have come up with a good combination, don't hesitate to offer it even though it may seem unusual. Today's customers are more open than ever to new and different experiences. For instance, chef Kazuto Matsuska at Chinois on Main met with an initially negative reaction when he began serving whole catfish stuffed with ginger and deep-fried in peanut oil, soy sauce, vinegar and a touch of saki. "Customers didn't quite like the idea of seeing the head and tail," he says. "But once they got used to it, they loved it. It's now one of our most popular dishes."

Alexander Dering of Arnie's sums up the philosophy shared by most chefs experimenting with the East/West blend: "Both chefs and customers have become more adventurous in the last five years; the old rules are being thrown away to create a new range of flavors." Michael Roberts agrees. "The sky's the limit," he maintains. "Using common sense and a little imagination is what makes dishes work today." ☐

EGG R
GO COSM

By Celeste McCall

It's here, it's new, it's sassy and delectable—the incredible, edible, international egg roll, all dressed up in everything from Cajun peppers to Mexican salsa to Greek phyllo dough.

At one time or another, all of us have chomped down on an egg roll—an elongated tube of fried dough filled with minced meats and vegetables and sometimes crabmeat or shrimp.

Generally speaking, egg rolls changed little in the century since Chinese laborers brought them to the United States—except for the worse, when they were made by unskilled cooks.

In fact, many of our early experiences with egg rolls revolved around bland, cardboard fare served with little plastic packets of soy sauce. The timid egg roll rarely ventured out of the neighborhood Chinese carryout or the supermarket freezer.

Until recently.

CAJUN EGG ROLLS WITH BLACK BEAN RELISH

Serves 8 to 10

Ingredients:

1 cup black beans
1 small red bell pepper, minced
1 small yellow bell pepper, minced
1 Tbs. minced red onion
1 Tbs. fresh coriander, minced
2 Tbs. olive oil
5 Tbs. red wine vinegar
Salt and pepper to taste
1 cup tasso sausage, finely chopped*
1 cup andouille sausage, finely chopped*
8 to 10 egg roll wrappers

Method:

Soak black beans overnight in cold water. Rinse and cover with water. Cook until soft but not mushy. Rinse with cold water. Drain again. Add bell peppers, onion, coriander, olive oil, vinegar and salt and pepper. Set aside.

Fry sausage in skillet until brown, draining off excess grease. Combine with bean mixture. Prepare egg roll wrappers according to package directions. Fill with bean-sausage mixture.

In wok or large frying pan, heat oil to 350° F. Fry egg rolls, turning frequently to brown evenly. Remove and drain on paper towels.

**Chef Dinardo makes his own Cajun sausage. However, tasso and andouille are available at gourmet supermarkets.*
—Windows Restaurant

Not only did the egg roll spiff up its inner and outer wardrobes—it became cosmopolitan. Thanks to the influences of exotic Asian cuisines such as Indonesian, Philippine and Thai, which include various versions of this dish, the egg roll is enhancing its image.

What's more, it is no longer confined to Asian menus. With the combining of various nationalities on one menu, egg rolls are at home in any kitchen, filled with all manner of goodies, including Occidental concoctions such as smoked duck, Cajun sausage, black beans, goat cheese, sun-dried tomatoes and chili peppers.

As for wrappers, egg rolls are being swathed in everything from traditional wonton skins to phyllo dough. Rolls can be deep-fried, sauteed, steamed or baked.

"Like pizza, the egg roll is taking to everything," says Henry Dinardo of Windows Restaurant in Rosslyn, Virginia. "[The Americanization of the egg roll] is definitely due to our melding of different cuisines. We're going to see more and more of it," Chef Dinardo says. "Everyone is incorporating Oriental methods into American dishes by utilizing American ingredients, such as Cajun sausage."

A Cajun egg roll?

"We do bite-size egg rolls filled with spicy tasso and andouille sausage served with black bean relish," says Dinardo. "People love them. We can also make them regular size for a first course."

He also does Tex-Mex egg rolls with avocado salsa.

Now that's international.

In Washington's burgeoning West End, Janet Terry of Samplings is placing her own signature on egg rolls. "Just about everyone is taking off on it," says Chef Terry. "The possibilities are endless. [An egg roll] makes a neat little package, and it's a wonderful way to use up ingredients. I use salmon and crabmeat . . . and maybe a little white radish or cilantro. You can get very personal. . . . You can make your very own little bundle.

"Making egg rolls is almost like a construction project," she adds. "You find a filling—maybe salmon or crabmeat—and you build on it. It is a sort of see-and-do project."

There is one drawback, she says. "Making egg rolls or any wrapped foods is extremely labor-intensive. You need someone with a fast pair of hands when you

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By any other nam

An egg roll by any other name would taste as sweet. In Indonesia, for example, crispy rolls filled with meat and vegetables go by the name of *Lumpia Goreng*. Here are other approximate names for the egg roll, or spring roll, around the world. Because of transliteration, exact translations can vary from menu to menu:

China (Cantonese): *Choon Guen*. What most of us consider a "traditional" egg roll, filled with shredded pork or seafoods, bean sprouts and celery. Deep-fried in regular egg roll or wonton wrappers.

Japan: *Gyoza*. Mixture of pork sausage, onion and ginger rolled in

ROLLS
OPOLITAN

it's still an egg roll

special wrappers found in Asian stores.

Philippines: *Lumpia*. Crispy rice paper rolls filled with pork, shrimp, water chestnuts and onions, often flavored with soy sauce. Obvious Chinese influence.

Thailand: *Po pear sod*. Large roll filled with sausage, crabmeat, egg and bean sprouts and served with various sauces. (Thai rolls can also be small and crispy, similar to the Vietnamese version.)

Vietnam: *Cha Gio*. Meat or seafood wrapped in rice paper and deep-fried. The crispy rolls are usually served with a vinegar dipping sauce.

start wrapping things up. And so far they haven't invented machines to do that."

Regardless of its name, the 1980s egg roll comes in myriad sizes and shapes. It can be large enough to cover a plate (as in Thai cooking) or thumb-size like Chef Dinardo's hors d'oeuvres.

As for the egg roll's overcoat—practically any covering is fair game as long as it holds the filling. Traditional wrappers include the standard Chinese version, available at Asian groceries and most supermarkets. Packaged in lots of a dozen or so, the wrappers are sheets of dough about seven inches square.

Wonton wrappers—miniature versions of egg roll wrappers—can be used for cocktail-size rolls.

Spring roll wrappers, found in Asian groceries, are thinner than egg roll skins. *Lumpia* wrappers—used for Philippine spring rolls—are similar. Egg roll wrappers can be substituted for the first two, but the result will not be as light and crisp.

Rice paper wrappers—produced in Thailand and used for most Southeast Asian rolls—are stiff and dry, resembling translucent parchment. They can be either round or wedge-shaped and usually come in several sizes. Before using, the rice paper must be brushed with liquid to soften it.

The egg roll got its Western name from the light egg-batter wrappers used to enclose the filling, and sometimes confusion arises regarding the distinction between an egg roll and a spring roll. An egg roll is made with uncooked flour and egg dough. The dough is rolled into a thin sheet, cut into squares and rolled around the filling. Then it is fried.

A spring roll is a miniature crepe. The dough—also made from egg and flour—is flattened and fried like a tiny pancake. Then it is filled and rolled up. Although the results are often lighter and crisper than egg rolls, spring rolls, which are associated with a variety of Asian cuisines, are difficult to make. Even the Chinese send out for them.

Not all wrappers are crisp; some rolls—such as the Indonesian meat and vegetable-filled *resoles* are soft and spongy, like the texture of Ethiopia's *injura*. *Po pear sod*, a huge Thai egg roll filled with sausage, crab, egg and bean sprouts, is enveloped in a soft, omelettelike covering.

Today's chefs are experimenting with all manner of alternatives. Chef Terry of Samplings favors phyllo dough, the delicate, multilayered pastry integral to Middle Eastern cooking. It's as flaky as lumpia and can be baked rather than deep-fried. Similarly, Siwsin Buakhiaw, Thai-born chef at Chanterelle, the Washington, DC, catering firm, is testing several approaches, one of them very crispy.

"She fills them with crabmeat, dried shrimp or vegetables, and they are more like Vietnamese spring rolls with their light wrappers," says Chanterelle co-owner Carol Mason.

"However, that presents a problem. . . . Spring rolls have to be deep-fried and many of our customers don't want that. So, instead we wrap the fillings with phyllo dough, brush them lightly with butter and bake them."

And who says egg roll wrappers have to be dough?

Swiss-born Anton Mosimann of London's Dorchester Hotel utilizes lettuce leaves. In his recently published cookbook, *Cuisine Naturelle*, Chef Mosimann tucks ingredients such as poached oysters and partridge breasts into the lightly blanched leaves.

In Washington, DC, Chef Gaby Aubouin of La Brasserie has been known to wrap morsels of lobster in lettuce leaves. Chef Dinardo tucks little surprises such as caviar, sundried tomatoes and black beans into endive leaves.

Who knows what's next for the egg roll? ❑

TEX-MEX EGG ROLLS WITH SALSA

Ingredients:

1 cup smoked duck breast, minced
½ medium jicama
1 large jalapeno pepper, chopped, juice reserved
1 raw egg (for binder)
⅓ cup mashed papaya
Rice paper rolls

Method:

Combine all ingredients except wrappers. Remember to reserve jalapeno juice. Prepare rice wrappers according to package directions. Fill wrappers. In wok or skillet, heat oil to 350° F. Fry rolls, turning frequently to brown evenly. Remove and drain on paper towels. Serve with salsa (recipe follows):

Salsa:

1 tomato, finely chopped
1 medium avocado, peeled, pitted and mashed
1 Tbs. olive oil
Juice of 1 medium lime
Black pepper to taste
1 Tbs. fresh minced cilantro
Reserved jalapeno juice

—Windows Restaurant

RESTAURANT EXPANSION STRATEGIES

by Marcia Hibsch Coppess

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The industry profile of the typical restaurateur—a hardworking entrepreneur pursuing a personal vision—may be changing. "I think we're heading for more consolidation," says Thomas Martin, executive vice president of Ramada Inns and president of the Ramada Restaurant Group. Ramada purchased 125 Marie Callender's restaurants last year from entrepreneur Don Callender.

The facts support Martin's contention. In 1984, there were 35 restaurant mergers, according to the American Institute of Food Distribution, Inc. (Food Institute) in Fair Lawn, New Jersey. Last year, that number grew to 58—8 percent of the restaurants tracked by the Food Institute. In 1986, six of the top 20 companies in *Restaurants and Institutions* magazine's "400" were involved in a merger or acquisition. PepsiCo bought Kentucky Fried Chicken, Marriott Corporation acquired Saga Corp., Pantero (120-units, St. Louis, Missouri) purchased Pizza Inn (700 units; Dallas, Texas), to name just a few.

The results are a thinning of the number of privately owned chain operations, particularly in the fast food and coffeeshop segments. While some operations have disappeared or been absorbed by larger corporations, others have been revitalized by the infusion of capital, planning and management.

Marcia Hibsch Coppess is a freelance writer in Arcadia, California.

While hamburger chains are highly competitive, there is still room for growth in the ethnic fast food area.

Reasons why

The reasons for acquiring companies are as varied as the companies buying and selling. Consultants at the Los Angeles office of Laventhol and Horwath see two primary motivations for acquiring businesses.

☐ **Complementary products.** "Some people make acquisitions to get into a different but complementary product line," says Robert Patterson, senior managing principal of the Laventhol and Horwath office. "If they have a talented management team that could be stretched further but their mainstay brand is in a heavily exploited segment, buying a similar but noncompeting brand may make sense."

Burger King owner Pillsbury may have had such a reason in mind when it acquired Quik Wok (a 15-unit, Irving, Texas-based Asian fast food concept), Patterson speculates. While hamburger chains are highly competitive, there is still room for growth in the ethnic fast food area. Yet many of the same operations strategies from Burger King can translate to Quik Wok operations.

☐ **Cost efficiency.** Janet Lowder, manager of the restaurant consulting group at Laventhol and Horwath, adds that the second motivation is cost efficiency. "The acquiring company can offer some economies of scale in systems, advertising budgets and volume discount purchasing that a smaller regional company would not have," she explains.

☐ **Changing needs.** Others say mergers highlight the industry's scram-

RGERS

ble to meet changing consumer needs. New food products, higher quality, healthy food and updated concepts are in demand. Yet major corporations may not have the resources or patience to develop their own concepts slowly.

□ **Building costs.** Many in the industry point to other motivations of equal attraction. "The cost of building a new restaurant is becoming so expensive that it's more cost-efficient to acquire another company," says John Bettin, vice president of operations at Gilbert/Robinson, a subsidiary of Restaurant Enterprises Group, which acquired the Darryl's restaurant chain from General Mills in late 1985. "One of the greatest attractions when we purchased Darryl's was that 21 of the 27 restaurants were on owned land. All we needed to do was elevate the sales levels, and the potential was great. We have a very low facility expense."

Buying an existing restaurant can be faster, cheaper and simpler. The original owner shoulders the headaches of the real estate purchase, zoning problems and construction woes. Some small chains in good locations showing only modest profits are ripe for harvesting. All they need to turn a big profit, say the corporate teams, are professional management and procedures.

□ **Market entry.** The previous decade saw a great surge of building as American consumers warmed up to fast food. The best locations in many markets have already been built. If a company wants entry into that market, it almost has to buy an existing building.

Some small chains in good locations, showing only modest profits, are ripe for harvesting.

Lowder notes that the Godfather Pizza chain bought several Sambo's locations just to gain entry into certain markets. Likewise, International Dairy Queen bought the 750-unit Orange Julius chain to increase its shopping mall presence.

Grisanti, Inc., which operates Grisanti's Casual Italian Restaurants among others, was acquired by Imasco nearly three years ago. The operation became a separate division of Imasco with little change other than an infusion of capital, according to Michael Grisanti, president of Grisanti, Inc. Now, the acquired has made its own acquisition. Grisanti explains that his division has just purchased 19 units of the 23-unit Casa Lupida chain. The Casa Lupida locations, which are scattered throughout the Midwest, South and East with a few units in the Northwest, will be converted to Grisanti's during the next two years.

A company must be careful when seeking locations, however. Lowder points out that many competitors build near one another. If one buys the other, they end up competing among company members. For example, had Bob's Big Boy owner Marriott successfully acquired Denny's, the company would have competed with itself nationwide.

Not all companies see internal competition as negative. Although the majority of Darryl's units are situated away from Houlihan's, also owned by Gilbert/Robinson, the city of Richmond, Virginia is one exception. There, within 10 minutes of one an-

Percent change in restaurant traffic for children 1982—1986

Visits to restaurants by children, especially those under six years old, increased more than those for the overall population

	All restaurants	Quickservice	Midscale	Upscale
All ages	10.8%	19.7%	−7.3%	10.0%
Under 6-year-olds	27.4	30.5	24.2	43.3
6 to 17 year-olds	20.8	25.2	1.3	16.8

Source: National Restaurant Association CREST survey

Distribution of eater occasions by day of week and meal periods in 1986

Young children ate at restaurants more during the week, whereas older children dined out most often on weekends.

	All ages	Under 6 years old	6 to 17 year-olds
Weekday	56.2%	51.4%	45.3%
Breakfast/a.m. snack	7.7	5.6	3.7
Lunch	25.4	20.2	13.5
Dinner	17.2	18.5	20.2
p.m. snacks	6.0	7.2	8.0
Weekend	43.8%	48.7%	54.8%
Breakfast/a.m. snack	5.2	4.9	5.5
Lunch	10.8	12.8	12.7
Dinner	22.6	25.0	28.9
p.m. snacks	5.1	6.0	7.7

Source: National Restaurant Association CREST survey

third of the total increase in off-premises traffic between 1982 and 1986. For children under six, customer counts for takeout climbed more than 31 percent, and they rose nearly 29 percent for six to 17 year-olds.

Quickservice restaurants capture the lion's share of all takeout business, and this pattern holds true among young customers as well. More than 90 percent of all children's takeout occasions occur at quickservice restaurants. Midscale places account for less than [illegible] percent of all off-premises occasions for both age groups, and upscale restaurants hold under one percent. Both segments' share of the takeout market has declined since 1982.

Children are likely to eat their takeout food at home. In 1986, 49.4 percent of all off-premises occasions occurred in the home. For children, the proportions were even higher—59.4 percent for children under six and 60.0 percent for those six to 17 years old. Fifty-seven percent of the restaurant meals consumed at home by children under the age of six were purchased through traditional carryout as were 67.0 percent of those eaten by six to 17 year-olds.

Drive-thru captured nearly one-third of the at-home market for young children and under 25 percent for the older age group. The remaining proportion is accounted for by home delivery. Between 1984 and 1986, traffic counts for home delivery more than doubled for children under six and for six to 17 year-olds. Delivery's share of total at-home occasions nearly doubled over this period with both age groups.

Quickservice restaurants unquestionably hold the dominant position in the takeout market. One reason may be that takeout is not yet as widely available at other types of establishments. Midscale and upscale operators, both of whom have had difficulty building customer counts in today's convenience-driven environment, may be in a unique position to cater to families. Their varied menus can appeal to the more sophisticated tastes of parents and still satisfy young appetites. Offering complete takeout meals, including salad, entree, vegetable and even dessert may attract parents looking to recapture that home-cooked feeling of the family meal they enjoyed as children.

Targeting takeout at families is one way operators can expand their customer base. Some operators, especially upscale restaurateurs, may be reluctant to target families for on-premises dining because children can have a disruptive influence on other patrons. However, they can tap the growing family market by catering to their off-premises needs. In turn, the adults may remember the restaurant when the occasion calls for dining out.

Weekday versus weekend visits

The timing of visits varies by age. Children under the age of six eat at restaurants most often on weekdays, and lunch is the meal they eat out most often during the week. Most of these lunches—eight out of 10—are eaten at quickservice places. Sixty percent occur at hamburger restaurants.

On weekends, children are most likely to eat dinner at a restaurant. Quickservice places, most notably

Percent of occasions for off-premises dining
1982—1986

Children opt for takeout on more than one-half of all restaurant occasions

	Total restaurants		Quickservice		Midscale		Upscale	
	1982	**1986**	**1982**	**1986**	**1982**	**1986**	**1982**	**1986**
All ages	39.8%	43.0%	56.9%	58.8%	13.3%	12.9%	6.2%	5.7%
Under 6 years old	52.8	54.4	61.0	62.2	17.7	16.1	13.6	12.0
6 to 17 year-olds	50.1	53.2	59.2	61.6	17.1	17.4	10.7	8.9

Source: National Restaurant Association CREST survey

Children's favorite restaurant foods

Soft drinks, french fries and hamburgers are children's top restaurant food choices

	Proportion of occasions
Under 6 years old	
Soft drinks	36.4%
Total sandwiches	36.0
• Hamburgers/ cheeseburgers	25.6
French fries	33.4
Pizza	16.5
Chicken—all types	11.9
• Fried chicken	9.8
Ice cream	9.7
Milk	9.5
Total breads	6.2
Donuts/sweet rolls	3.9
Juice	3.6
6 to 17 year-olds	
Soft drinks	43.4%
Total sandwiches	35.4
• Hamburgers/ cheeseburgers	24.9
French fries	32.1
Pizza	19.0
Chicken—all types	10.3
• Fried chicken	9.2
Ice cream	10.1
Side dish salads	6.7
Total breads	6.3
Other desserts	6.4
Mexican foods	4.3

Source: National Restaurant Association CREST survey

hamburger and pizza restaurants, are again the top choices of young consumers. In 1986, pizza places have come on strong and now have a larger slice of the market than they did in 1982—31.7 versus 25.1 percent. Hamburger fast food places, on the other hand, experienced a decline in their market share from 43.8 percent in 1982 to 40.0 percent in 1986.

Six to 17 year-olds eat more restaurant fare on the weekend than during the week. More than one-half of all eater occasions for this age group occur on Saturdays and Sundays versus 48.7 percent for the under six age group and 43.8 percent for the population overall. Dinner captures the largest share of weekend visits for six to 17 year-olds. In 1986, pizza quickservice restaurants captured 38.5 percent of total restaurant weekend dinner traffic for this age group—up substantially (12.5 percent) from 1982. Although quickservice hamburger restaurants also enjoy frequent visits from six to 17 year-olds at the weekend dinner occasion, their share of the market slid from 37.8 percent to 32.0 percent. Hamburger places have suffered some losses with this age group on weekdays as well, yet continue to hold the largest share of total visits for the dinner occasion.

What do kids eat?

Looking at a list of the foods children are most likely to order when dining in restaurants may not reveal anything new to most operators. It is common knowledge that kids like hamburgers, french fries, pizza and chicken. Children under the age of six show a greater preference for cold cereal, hot dogs, milk, fried chicken, french fries and juices than do consumers of all ages. Pizza, french fries, soft drinks, hot dogs, milk and ice cream are among the items six to 17 year-olds are more likely to order than are consumers overall.

What might come as something of a surprise, however, is that children are becoming more adventurous eaters. The intriguing taste of ethnic cuisines has not escaped the notice of young patrons. Mexican and Asian foods may still be ordered by children on a small proportion of total occasions, but that proportion is on the rise across all age groups. Young children, those under the age of six, have dramatically increased their orders for both Mexican and Asian foods. And pasta, a mainstay of many Italian establishments, has caught on with six to 17 year-olds. Breakfast sandwiches, rice and juice are other menu items that are becoming increasingly popular with children.

In sum

Catering to children is becoming increasingly important as more families call upon restaurants to prepare their meals. Flexibility is critical to successfully meeting the diverse needs of this dynamic market. Restaurateurs who are willing to adapt menus and service methods to accommodate parents and their children are sure to expand their loyal customer base. ☐

To Your Health Special

NUTRITI

How best to fee

by Claire Regan, R.D.

If you are thinking of developing a children's menu, the time couldn't be better. The number of children under the age of 14 is growing. In 1985, this segment accounted for 20 percent of our population, and the number of children under the age of five is higher than at any time since 1960. Plus, adults seem to be receptive to menus for children. Seventy-two percent of the adults surveyed in the National Restaurant Association study, *Consumer Nutrition Concerns and Restaurant Choices,* strongly agreed that restaurants should offer meals specifically prepared for children (see ***Restaurants USA,*** October 1986).

Nutritional considerations

Menu planning for children does require special consideration. Although children require all essential nutrients provided by a balanced diet, they have some specific nutritional needs:

Energy. Children need a considerable amount of calories to support growth. While their energy needs are

Claire Regan, R.D., is research manager, nutritionist for the National Restaurant Association.

Serving the modern family: understanding required

by Candice Leonard

It's 6 p.m. on a weekday night. Mom and Dad have just arrived home from work, one of them stopping on the way to pick up the kids from day care and an afterschool program. It's dinner time, but Mom and Dad are too tired to cook. So they decide to eat out someplace where adults and kids can have a choice of good quality food at reasonable prices—and some calm.

The restaurant needs of the modern family are simple: quality food in a stress-free atmosphere. These needs can be met by offering a wide choice of nutritious foods for adults and children—fresh fruit, green vegetables and broiled items—and family-sensitive service that encourages parental control over the experience.

Parents need to control what and when their children eat. This control is not only necessary for the child's physical well-being, but it is also necessary for the parents' emotional well-being.

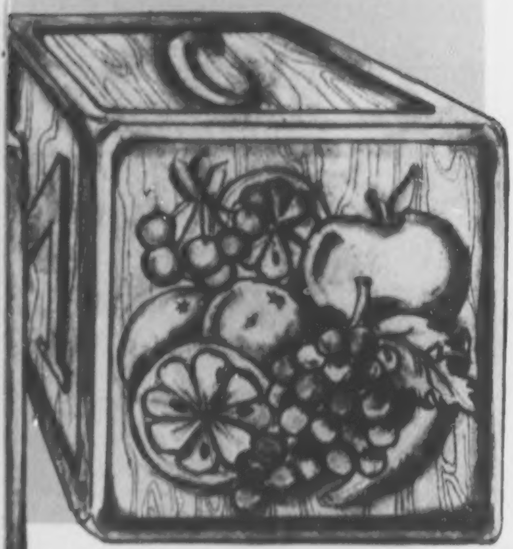
Parental control helps ensure a stress-free meal. When families eat in restaurants, parents often give up the control they have over meals at home. Children recognize this, and so eating out often becomes an occasion for a power play and a renegotiation of rules regarding what and how much gets eaten. Family-sensitive service can go a long way toward giving parents control over the dining experience.

For example, children love to fill up on bread and butter while waiting for their dinner. If breads and rolls are routinely served, it is a good idea to ask whether the family wants them. If a parent orders milk for a child, it is inappropriate for the server to ask, "Will that be chocolate or regular?" It is the rare child who prefers regular milk to chocolate and posing the question in this way is almost guaranteed to lead to a clamor for the chocolate version. Moreover, bringing a child's beverage before the meal usually means the child will fill up on the beverage and not eat dinner. Parents will appreciate being asked when their child's beverage should be served.

Serving a child last—making him or her wait while others have started

Candice Leonard is an applied family sociologist and director of Familywise Associates, a consulting firm located in Somersworth, New Hampshire.

ON
ed kids



relatively high (see chart), their capacity for food is much smaller than that of adults. For this reason, frequent meals and snacks are an important part of a child's diet.

High energy does not mean high fat, however. Because there is a high incidence of heart disease in the U.S. population, the government's dietary guidelines urge that fats, especially saturated fats, and cholesterol be limited in our diets. This recommendation applies to youngsters as well as adults.

Calcium is essential for both bone mineralization (hardness) and bone growth; both increase during the first 20 years of life. Adequate childhood calcium intake is correlated with consumption of milk and milk products, as nondairy food contributes less than one-half of a child's calcium requirement.

Sodium. Children need considerably less sodium than do adults, yet they often eat the same foods. Consequently, most children consume far more sodium than they need.

Food sensitivities are more common in young children than adults. The most common allergenic foods for this population are cow's milk, eggs, soybeans, peanuts and other nuts.

Iron-deficiency anemia can affect a significant number of preschool age children. Many are vulnerable because they did not receive iron-fortified formula or cereal during infancy or because they favored milk over high-iron foods as toddlers. Because preschoolers' iron requirements are high relative to their caloric needs, they need iron-rich foods, such as meats, enriched breads and cereals, dried fruit, legumes and green, leafy vegetables. Vitamin C enhances absorption of iron from nonmeat sources, which is less efficiently absorbed than iron from meats.

eating—should be avoided. In fact, many parents would like the option of serving their children first.

By the age of 3 or 4, many children want every meal to be followed by dessert. However, parents often see dessert as a once-in-a-while treat. In any case, the family need not be reminded that it is dessert time. The mention of the word can start an intergenerational brawl! A simple, "Will there be anything else?" will get the idea across. The question of dessert can also be handled by having some healthful, non-gooey aftermeal offerings, such as fresh (with no added sugar or syrup) fruit. A well-planned, health-conscious children's menu can let parents know about desserts they will gladly say "yes" to.

There are several important products that add to family-sensitive service. The first of these is the bendable straw. While it may seem trivial and unimportant, the bendable straw is so much easier for children to use than straight drinking straws. Children will often bend straight straws and be unable to drink. A child attempting to maneuver a glass with a straight straw into a usable position is more than likely to spill, break the glass or whine with frustration—all of which can be easily avoided. Related to the matter of spills and messes, parents will be glad to see extra napkins during the meal and the little moist towelette in the foil pack. Parents love these towelettes as much as the kids do, and they can easily be brought with the check at the end of the meal.

The most important ingredient for family-sensitive service is servers who are friendly but not chatty, and who are nonjudgmental and do not comment on or enter into the family interaction. Family-sensitive service means making the family feel welcome and comfortable.

Menu suggestions

Here are some menu suggestions that can help you offer more than the traditional hot dog, hamburger or grilled-cheese sandwich. Some of these selections are obviously more appropriate than others for toddlers eating with their fingers.

☐ Individual pizzas
☐ Sloppy Joes
☐ Macaroni and cheese
☐ Shish kebab (remove skewers before serving younger children)
☐ Pot roast
☐ Cheese and crackers
☐ Raisin-studded cottage cheese, sprinkled with cinnamon
☐ Sliced chicken or turkey breast
☐ Chicken or turkey drumstick
☐ Campfire stew
☐ Spaghetti with meatballs
☐ Scrambled eggs
☐ Hard-boiled eggs
☐ Salads (no dressing for finger diners)
☐ Cut raw vegetables
☐ Stuffed celery sticks (use cottage or cream cheese, peanut butter, tuna or egg salad)
☐ Corn on the cob
☐ Baked potatoes
☐ Baked beans
☐ Cole slaw
☐ Bread sticks
☐ Bagles
☐ Popcorn
☐ Graham crackers or vanilla wafers with peanut butter
☐ Fruit kabobs (remove skewers before serving younger children)
☐ Assorted dried fruit
☐ Fruited yogurt
☐ Oatmeal raisin cookies

Menu planning for children

Not only do children's nutritional requirements differ from adults, their food preferences and feeding skills differ as well. These must be taken into account when planning menus for children.

Food preferences. Some common assumptions about children's food preferences are accurate while others are based on misconceptions. For example, preference for mild foods is not universal among children. Youngsters tend to favor foods that are familiar, regardless of their seasoning. In fact, children tend to be more sensitive to temperature and texture than to flavor. Children seem more receptive to lukewarm or room temperature foods than to foods that are extremely hot or cold. Soft, fluffy foods, such as mashed potatoes or pudding, are more popular than are heavy, sticky items. And crisp vegetables (raw or cooked but still firm) stand a better chance than their soggy counterparts.

Another questionable assumption is that children are more receptive to plain foods. This is debatable given their acceptance of mixed dishes, such as macaroni and cheese, pizza, spaghetti with meat sauce, stews and casseroles.

Presentation. The presentation of food tends to influence its acceptance by children. Finger foods are popular, especially for one to four-year-olds who are not proficient with utensils because of their limited muscle coordination. Finger eating also allows exploration of texture, a normal component of child development.

Large portions tend to overwhelm young diners. For preschoolers a rule of thumb for portions is one tablespoon for each year of age. Utensils and dishes, too, should be scaled down. Salad forks and small spoons are suitable and are easier to use when food is served in a deep dish or one with compartmental dividers. Small cups are a better fit for small hands, and chances of spillage are reduced when cups are only partially filled.

Cute foods (for example, those shaped like dolls, boats, animals, etc.) can confuse children. Because they appear "fun," children can be reluctant to eat them. It is better to reserve the games and toys for the menu or post-meal giveaways.

Portions should be served ready to eat whenever possible. For instance, cut meals into bite-size portions, shell hard-boiled eggs, butter toast, insert straws into beverages and apply condiments to hamburgers or hot dogs.

Menu items. When developing children's menus, limit the selection because school-age children reading the menu have short attention spans. Be sure to make the selection titles familiar so the child can relate to the foods offered.

The traditional meal component—appetizer, entree, vegetable, potato, dessert and beverage—will not always work with this audience. An acceptable meal could be sliced cheese, breadsticks, a fruit kabob and a glass of low-fat milk. Do not be afraid to offer foods that may seem inappropriate for the meal period. For example, dried cereal may appeal to a fussy eater at lunch or a toasted peanut butter sandwich could be a hit at breakfast. ❑

Nutrient requirements

	1 to 3 year-olds	**4 to 6 year-olds**	**7 to 10 year-olds**	**Adults***
Calories	1,300	1,700	2,400	2,000–2,700
Calcium**	800	800	800	800
Sodium**	325–975	450–1,350	600–1,800	1,100–3,300
Iron**	15	10	10	10–18

Based on needs of those between 23 and 50 years of age

***milligrams*

Source: National Academy of Sciences, *Recommended Dietary Allowances*, Ninth Edition, 1980

by Linda Durling

By 1990 there will be about 23 million of them. Twenty-three million wiggly, giggly, squirmy little beings, all under the age of six. Don't be fooled by their size. These preschoolers are a force to be reckoned with. Their tiny voices can be very persuasive. When little Bobby and Suzy find a restaurant that treats them right, they will be sure to let their parents know.

One way that restaurants have catered to these youngsters—and their working parents—is to provide entertaining menus that occupy the children's attention during the before-dinner wait. As the entries in this year's Great Menu Contest demonstrated, these menus are far more colorful and engaging than ever before.

MENUS

Ways to keep kids busy before the meal arrives

THE
PITTSBURGH ZOO
EAT'N PARK COUNTRY!

Eat 'N Park

Three winners up close

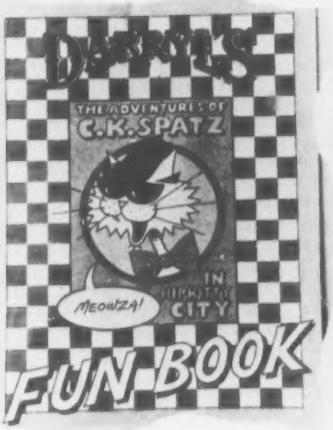
All three winners in the specialty category of the 1987 Great Menu Contest were children's menus. Winning first place was the menu developed by TGI Friday's, a 116-unit national chain headquartered in Addison, Texas.

Called "Ff is for Friday's Big and Little Children," the menu is 8 inches wide and 9¾ inches high. It consists of nine four-color cardboard pages (with selections on the front and back) that feature different letters of the alphabet, each highlighting a specific entree, beverage or dessert. Fanciful illustrations are the signature of this menu. Children not only read that "Kk is for Kid's Shrimp", for example, but they also see a childlike drawing of a little shrimp riding a bicycle. (The shrimp, with its impish grin, wears a baseball cap.) Farther on in the menu, under the heading "Dd for delicious drinks," kids delight in the leopard lady that invites them to try the drink that blends "chocolate chips, orange sherbet and vanilla ice cream for a roaring good time" or in a large banana attacking a city, to illustrate the "Banana Kong—a colorful, fruity drink of strawberries, bananas, orange sherbet and vanilla ice cream."

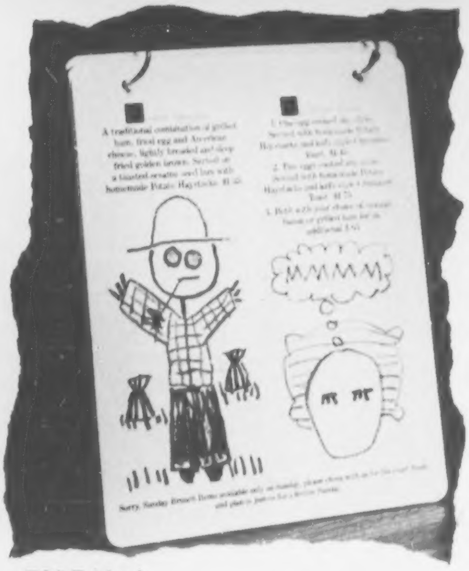
The vibrant menu, held together in a flash card fashion with metal rings, is the first menu T.G.I. Friday's has developed solely for children. Before its creation three years ago, entrees for kids only merited a small section on the adult's menu.

Lindy Groom, director of marketing at TGI Friday's, said the restaurant made the switch to the children's menu to help bring more children into the restaurant. He says the effort has paid off with increased traffic and positive customer feedback. Although the price of producing each menu is high ($6.35), the two-ring binder design permits specific pages to be replaced when entree selections change, without having to throw away the whole menu. Further, says Groom, the cardboard is sturdy and lasts longer than many lighter-weight menus. These factors lead to long-term savings.

Linda Durling is a freelance writer in the Washington, DC, area.



Darryl's



TGI Friday's

Flip books, gift boxes

Eat 'N Park, a 46-unit family restaurant chain in western Pennsylvania, has been experimenting with children's menus for about eight years. Almost every year the chain changes its menu concept to keep children interested and excited in its restaurants.

The present oversized menu (8¾ inches wide by 14½ inches high) is a four-color, four-page laminated rendition of the "Land of Good Food." The cover, a map, opens to reveal food items turned into familiar landscape images. Everything in the picture is made of food—from the "dessert island" with its hot fudge falls and sundae mountain to the hot dog submarine and pizza boat with a grilled cheese mast to the mainland featuring mountains made of hamburgers, a river of lemonade, chicken fillet ledges, broccoli and celery trees and a chili pond. in short, the imaginative drawing invites discovery for both children and parents during the trying before-meal waits. The menu, printed over the illustration, echoes the visuals.

Despite its appealing features, this Eat 'N Park menu is more traditional than the concept the chain has tried in the past. Flip books and gift menu boxes were popular precursors used a few years back. Both of these more unusual menus won awards in the 1987 Great Menu Contest; the flip books took second place; the gift boxes took third place.

The thumb-size flip books were 3 inches by 2 inches. Children could hold the 24-page, four-color books and flip through to see a moving scene. For example, the Christmas flip book showed how a bare fir tree made friends with a star and then transformed into a Christmas tree. Starting at the back of the book and flipping forward, children could see the menu selection.

The 3 by 4-inch rainbow-colored gift box called "Eat 'N Play" featured 12 attached cardboard panels that unfolded into a strip of fun activities on one side and colorful entree descriptions on the other side. Depending on the season, a different theme was portrayed through games, riddles and illustrations. In a November version, for example, the theme of Thanksgiving dominated. Two of the panels showed an illustration of Thanksgiving, circa 1623. But amidst the pilgrims' and Indians' historic feast were scattered accoutrements of modern-day America. The young guest was asked to identify "What wasn't here then?" The answers included a telephone, toaster and television.

A maze on another panel asked kids to help cartoon children find their way to Fort Pitt Block House, a Pittsburgh area site, and the riddle page asked such titillating questions as, "What was the most popular pilgrim music?" The answer: "Plymouth Rock."

Even after all the activities were completed, the fun wasn't over. The individual panels could be separated and, using preformed notches, built into houses or other structures.

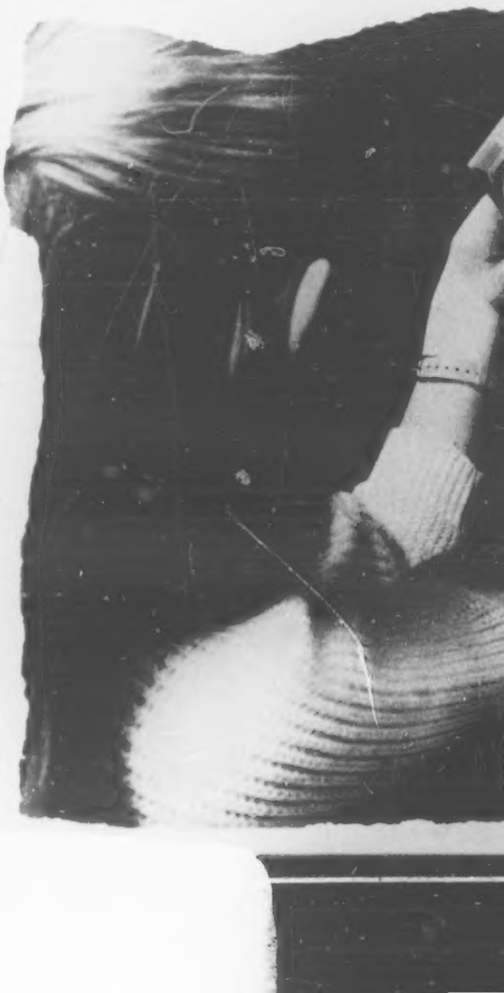
According to Basil Cox, vice president of marketing for Eat 'N Park, these menus, which were created in conjunction with the Pittsburgh-area Family Communications Company, were designed to be rewarding to children on an emotional level, a learning level and an experience level. And they were successful. However, the menu boxes were discontinued because of high cost.

Other notable entries

□ **Masks.** Banana's, a 275-seat restaurant in Boulder, Colorado, has had great luck with its menu, which features a banana in a space helmet on one side and a listing of entrees and questions about space exploration on the other side.

At 10 cents per unit, the menu is inexpensive enough that owner Wayne Dozier is happy to have his pint-sized customers take them home as a souvenir.

The black, khaki and yellow mask is easy to wear. The eyes are cut out, the nose is perforated and an elastic band is attached. Older youngsters, not interested in playing make-believe with the mask, can challenge themselves with the space exploration questions. For example, they are asked, "How many bananas, laid end to end, would you need to reach the sun?"; "If you could throw a banana 30 feet in the air on earth, how far could you throw it on the moon?"; and "If a bunch of bananas weighed six pounds on earth,



how much would the same bunch weigh on the moon?"

Dozier said a graphic artist friend designed the mask for him seven or eight years ago. The artist also came up with the questions and answers. The menu has been so successful that Dozier has not felt the need to change the format. "Children love it! You see all the little kids walking out of the restaurant with the masks on," he beams.

□ **Hats.** Children dining at one of Grisanti's five Italian family-style restaurants across the country have the opportunity to play "chef" during their mealtime. The 15-month-old chain of restaurants, headquartered in Louisville, Kentucky, provides children with a menu that can be turned into a chef's hat.

The 2-foot wide and 8½-inch high black and white menu can be fitted around a child's head by inserting a tab into a slot. Suddenly the child feels like a professional chef. "They feel they are part of the restaurant," explains Michael Sodofsky, director of marketing for Grisanti's.

Young guests also receive two crayons to color on the front side of the hat (which includes the menu) and to solve the puzzles on the back side. One puzzle asks children to make their way through a spaghetti maze to reach a meatball. Another asks them to find the words *pasta, Italy* and *pizza,* in a word puzzle. And a third asks them to unscramble a sentence (Eating at Grisanti's is fun). There is also space for five tic-tac-toe games.

Eat 'N Park

□ **Comic books.** Darryl's, a 27-unit chain in the Southeast, combines a comic book format with games. Darryl's "Hip Kitty" is "Cool Cat K-Spatz," as the eight-page menu explains, and he leads the children through various activities.

On one page he "sings cool jazz tunes and hip little ditties" and the child reader is asked to "connect the dots for his back-up kitties!" On other pages children are asked to circle items that are blue in real life and to find a matched set in a group of nine pictures of C. K. Spatz in various striped and polka-dotted outfits.

According to Linda Benedict, Darryl's marketing manager, the comic book menu represents the end stage of an evolution. In the past few years the chain switched from a standard coloring book to a placemat to the "Hip Kitty" comic/fun book, which started in January 1987. "This format is a little more expensive, but we're getting great feedback," Benedict says. "Plus, it keeps the 10-year-olds and under busy."

Darryl's also gives children a little box of crayons and a balloon. She says children react well to this special treatment.

□ **Placemats.** Finley's American Restaurant, a three-unit family restaurant in Michigan and Pennsylvania, switched three years ago from a coloring book to a placemat format for its children's menus. The 10-inch by 14-inch placemat, called a "Doodle page," displays birds and large animals engaging in whatever play fits the season. There are mazes, puzzles or dot-to-dots for children to solve and an unusual feature is a "how to draw" panel which gives young patrons a hand in drawing one of the featured animal characters.

Kim Hunt, assistant director of marketing, says Finley's changes the menu five times per year to reflect the season. The winter menu, for example, asks children to draw a face on a snowman, help "Millie find the skating pond" through a maze, and teaches children how to draw the insect "Ollie."

Kids' menus should be for patrons 9 years old and younger

Children's menus should be geared toward the 9-year-old and younger age group, says consultant Norma Grey, president of Foodcrafters Foodservice Consultants, consulting in Burke, Virginia, and judge in the 1987 Great Menu Contest. "Most restaurants put an age limit of under 12 on their children's menu, but most of the 10 to 12 year-olds would rather order from the adult menu—which is better for the restaurant check average," Grey says. The solution: "Scale to younger children in both menu selections and design. It's the smaller children you want to keep busy," she says. It's also the younger children who are more likely to share a meal with their parents if there isn't a smaller portion size available. Gearing to younger children means offering simple activities, such as connect-the-dots or finding a way through a maze and offering fun finger foods.

Children's menus should be inexpensive and disposable, she adds. "If they are not, the premise is almost undone," she says. In her mind, the restaurant owners should feel comfortable with children handling, playing with and drawing on the menus and then taking them home after dinner as a souvenir of the great time they had.

Hunt says the restaurants switched from a coloring book to the vertical doodle page because it is more cost-effective and immediately engaging.

In sum

Many restaurants are already reacting creatively to the baby boomlet of the 1980s. Dots to connect, images to ponder, mazes to solve, jokes to giggle at or cool cats (and hip kitties) to read and color are just some of the ways operators are designing menus to attract children (and the parents who come along with them) without sacrificing decorum or the enjoyment of childless patrons. ☐

BOARDROOM

Johnson & Wales honors Balestreri

Johnson & Wales College recently honored National Restaurant Association Past President Ted J. Balestreri (Sardine Factory, Inc.; Monterey, CA) with an honorary doctor of business administration degree in hospitality management.

Balestreri received this latest honor at the commencement exercises of the Culinary Arts Southern Division Branch campus of Johnson & Wales College in Charleston, South Carolina.

When conferring the award, Johnson & Wales President Dr. Morris Gaebe said, "You are a leading figure in America's hospitality industry. While cultivating your own personal business interests, you have advanced your industry—our industry—to the prominent position it now holds in the United States."

Balestreri is the co-owner of the Sardine Factory, which opened with 72 seats in 1968 and now is the recipient of a number of industry awards. Some of the more prestigious include the Ivy Award, the Travel/Holiday Magazine Award since 1971, the Mobil Travel Guide Award and the honor of being one of 50 restaurants to participate in the "Taste of America" at President Reagan's inaugurations in 1981 and 1985.

Johnson & Wales President Morris Gaebe confers honorary degree on Association Past President Ted J. Balestreri. From left to right are Gaebe; Walter Anhalt, director of the college's Culinary Arts Southern Division Branch Campus, Balestreri and John A. Yena, executive vice president of Johnson & Wales.

Elmont speaks out against mandated parental and medical leave

National Restaurant Association Director Stephen E. Elmont (Creative Gourmets, Ltd.; Boston, MA) recently spoke out against S. 249, the Parental and Medical Leave Act introduced by Sen. Christopher Dodd (D-CT). If enacted, S. 249 would require employers to provide parental and disability leave of up to 44 weeks while continuing health benefits and guaranteeing a job upon return.

In testimony before the Subcommittee on Children, Family, Drugs and Alcohol of the Senate Labor and Human Resources Committee, Elmont testified that such a broad government mandate neglects to consider the individual circumstances of each employer and the particular needs of the employer's work force. S.249, he said, "needlessly drives up costs for benefits, and worst of all, undermines the current trend toward flexible benefit policies."

Elmont pointed to recent private sector initiatives such as alternative work schedules, flextime, reduced work weeks, job-sharing, part-time employment, child and dependent care programs, employee-assistance programs and flexible benefit plans.

Describing the potential effect on his own operation, Elmont explained that the proposed bill would disrupt operations, upset recruitment and training and could lead to as many as 20 to 30 employees going on leave at one time.

Elmont spoke on behalf of the Association and the Concerned Alliance of Responsible Employers (CARE). The National Restaurant Association is one of the founding members of CARE, a group of more than 150 organizations actively seeking to ensure that the current voluntary system of benefit structuring remains in place.

Grisanti tells media: Rise in minimum wage hurts poor

Michael J. Grisanti's (Grisanti, Inc.; Louisville, KY) new responsibilities as chairman of the board and president recently took him to the editorial boardroom of the *Wall Street Journal* (Grisanti is scheduled for a media tour of Chicago later this month).

Grisanti carried with him *The Minimum Wage Research Review*, a summary of major recent studies on the effects of minimum wage laws. He also presented the association's position that a minimum wage rise fails to help the working poor. With only one in 10 minimum wage earners classified as members of poverty-level households, research indicates that an increase in the minimum wage affects middle class youth and spouses of heads of households, he said. In fact, Grisanti pointed out, an increase in the minimum wage forces employers to decrease the number of work hours available to entry-level and part-time employees, thus eliminating the jobs of at least some current minimum wage earners.

"In general the public is predisposed toward raising the minimum wage," Grisanti told *Wall Street Journal* editors and reporters. "But that is because they have not analyzed the argument, studied the demographics and considered the effects of a proposed increase. We look to you, the media, to educate the public on the error of this well-intentioned but misguided legislation."

Association Vice President Jim L. Peterson (Whataburger, Inc.; Corpus Christi, TX) and other members of the board of directors are visiting the media in other major media markets.

Grisanti invites all members of the association to join in this effort. Members interested in serving as spokespersons should contact the association's Communications Department, 311 First St., N.W., Washington, DC 20001; (202) 638-6100 or (800) 424-5156.

Elmont and Maynard win silver plates

National Restaurant Association Directors Steve Elmont (Creative Gourmets, Ltd.; Boston, MA) and James H. Maynard (Investors Management Corporation; Raleigh, NC) were among the nine foodservice professionals to receive the International Foodservice Manufacturers Association's (IFMA) 1987 Silver Plate Award.

In existence since 1955, IFMA's prestigious plate award honors outstanding operators representing nine areas of foodservice: business and industry; chain, fast food; chain, fullservice; colleges and universities; contract food management; elementary and secondary schools; health care and public institutions; hotels and lodging and independent restaurants.

Elmont, a member of the association's board since 1984, won in the contract food management category. Maynard, a board member since 1983, won in the chain, fullservice category. (Investors Management Corporation is the holding company for the Golden Corral chain.)

Each year one silver plate award winner is selected to receive IFMA's Gold Plate Award and the title of Foodservice Operator of the Year. Gold and Silver Plate winners are selected by a jury of foodservice trade publication editors and the previous year's Gold and Silver Plate winners. Joseph Baum, restaurateur/consultant of the Joseph Baum Company and creator of such restaurants as the Four Seasons, Windows on the World and Aurora in New York City, received the 1987 Gold Plate Award.

Fisher's Law #84

How to choose a lawyer

Every business organization needs the assistance of professionals and specialists, such as accountants, lawyers, advertising agencies and others, to look after activities beyond the scope of its generalists. Selecting a lawyer or a law firm is a particularly challenging task, and, having done it on a number of occasions, I have developed some keen insight into the selection process and lawyer/client relationship. With humility, I'm glad to share these "rules" with you.

1. You must realize that lawyers work very hard. Although their definition of "work" may be a little different from yours, I have been told by many lawyers that when they are at the club, the golf course, pool, tennis courts, on a fishing trip or with a companion at a warm water sun spot in the dead of winter, they are really working. Such dedication is rare these days.

2. Because lawyers thrive on challenges, you should select one for whom your situation represents a challenge. For example, if you want to acquire or merge a business, you may want to consider a good divorce lawyer. If you have a problem involving labor relations, an estate lawyer may be the answer; or if your problem concerns a fringe benefits matter, someone well versed in copyright law should be considered. Those things would really be challenging to the lawyer(s) you select, and that will cause them to work long and hard on your behalf.

3. Because lawyers also thrive on controversy, you may want to select a controversial lawyer. If his/her name is in the paper all the time, you can tell your friends, "That's my lawyer." If your lawyer does not have a very good reputation, you may be able to save on expenses. I have found that disbarred lawyers are the least expensive, and they are usually most anxious to do something right.

4. Always put your lawyer on a retainer; never ask him/her to bill you by the hour. Yes, it is true that some lawyers on retainer will ask you for more money because new situations arise that were not contemplated when the retainer agreement was struck, but that is just a sign that you must be getting more successful to be involved in all these legal matters. How exciting!

5. Never give your lawyer all the facts. A good lawyer will discover the facts anyway. (That's a good test for the lawyer.) Besides, the lawyer working *for* you today could be the lawyer working *against* you tomorrow, and you don't want to give away all your secrets.

6. Never maintain a relationship with a lawyer for more than two years. Fire him/her. Most lawyers are intellectually arrogant anyway, and such a move will put that lawyer in the proper place. You can always get another lawyer; there are so many of them these days.

7. Let your lawyer entertain you lavishly. He/she should be grateful for your business, so enjoy being entertained. Don't worry, the tab will never come back to you in the invoice you receive with a mark-up.

8. Never demand an accounting. Lawyers will charge you for the time they spend on your behalf; and if they spend a lot of time tallying up how they have spent their time for you, they could develop a multi-page invoice. Because you don't want to pay for having your own invoice calculated, do not request an accounting.

9. If you ever go to court or enter negotiations, etc., be sure you do the talking. You will want to let everyone know you are your own person and, therefore, don't need someone else speaking for you. Everyone considers a lawyer to be a "mouthpiece" anyway. It's "expected" that your lawyer will be at certain forums, that's why he/she should be in attendance, but you should be doing the talking and giving the guidance to the lawyer.

10. Consider using a paralegal rather than a fully credentialed attorney. Paralegals generally know more about the law anyway; they are more humble and less expensive.

Fisher's Law #84: *Lawyers beget lawyers, who beget issues, which beget expenses. Try to forget them, rather than beget them.* Whoops, I have to go now. My lawyer is here.

Restaurant beverage trends

Who drinks what, where

Beverage choices are changing at fast food and tableservice restaurants. Although soft drinks continue to be the beverage of choice at both types of establishments, other beverages, especially tea and bottled waters, are making gains. Alcoholic beverage consumption has declined but seems to have bottomed out in 1984.

Who drinks soft drinks in restaurants? How much coffee on average does a restaurant patron consume in one year? What's happening to alcoholic beverage consumption away from home? To answer these and many other frequently asked beverage trend questions, the National Restaurant Association commissioned a special study to investigate consumer beverage choices in 1986 and examine how they have changed since the beginning of the decade.

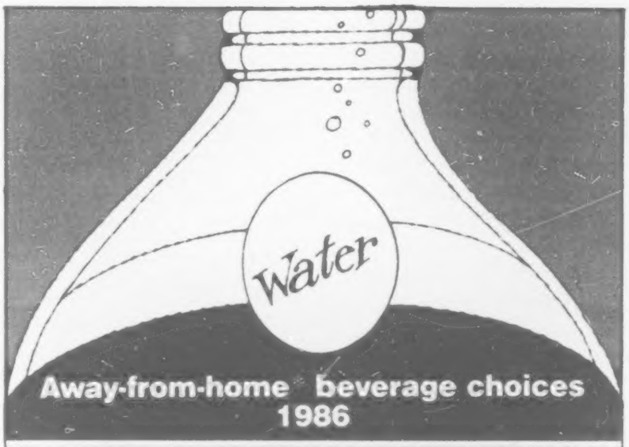
The data obtained from National Family Opinion's Share of Intake Panel (SIP) shows who is drinking which beverages, where they are consumed and how much is being consumed.

Beverages included in the study were soft drinks, coffee, tea, milk, fruit juices, bottled waters, other nonalcoholic beverages,* liquor, wine and beer.

Drinking patterns have changed

An analysis of SIP information indicates that consumers have altered their away-from-home** beverage consumption patterns between 1980 and 1986. At fast food restaurants, soft drinks still dominate consumer beverage orders although the total volume of soft drink consumption has slipped as some individuals have switched to tea. Tea consumption at restaurants other than fast food is also growing rapidly. Bottled water consumption is up dramatically but still represents less than 1 percent of total away-from-home consumption. The volume of alcohol consumption, while down from 1980, has risen somewhat since 1984, indicating that the decline in alcoholic beverage consumption at restaurants has bottomed out.

The analysis of away-from-home beverage consumption is based on two different measures: (1) the total volume or ounces consumed and (2) the number of drinkers consuming a beverage. The number of drinkers, referred to as penetration, is a measure of product appeal while the volume shows the total consumption that a particular beverage attracts. Since both of these measures may be examined on a demographic basis, such as age and sex, the SIP data provide information on who is consuming each beverage.



Away-from-home* beverage choices 1986

Soft drinks still head the beverage list for away-from-home choices at all types of restaurants

	By individuals	By volume
Soft drinks	65%	34%
Coffee	30	24
Tea	24	14
Milk	10	3
Fruit juices	9	2
Bottled waters	1	**
Other nonalcoholic beverages	15	5
Liquor	10	2
Wine	7	2
Malt	12	14

**Away from home includes fast food restaurants, other restaurants, bars and private clubs. It does not include beverages consumed elsewhere, including sporting events, private in-house parties, office/work, schools, picnics/camping or another person's home.*
***Less than 1 percent*
Source: National Restaurant Association, NFO Share of Intake Panel

Soft drinks top overall consumption

Soft drinks are the undisputed leader in terms of number of drinkers (penetration). In 1986, more than twice as many beverage consumers ordered soft drinks as coffee. About 25 percent ordered tea, 10 percent milk, 9 percent fruit juices and 1 percent ordered bottled waters. Alcoholic beverages were ordered by 22 percent of drinkers, with malt beverages contributing over one-half of these orders. (Note: These figures add up to more than 100 percent since one person could order more than a single beverage.)

Examination of the volume of beverage consumption also shows that soft drinks ranked first in 1986. Soft drinks claimed 34 percent of the volume, coffee captured 24 percent and tea and malt beverages tied for third place at 14 percent each. In terms of volume,

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**Includes chocolate/cocoa, milkshakes/malts, fruit drinks and powdered soft drinks.*
***Away from-home refers to fast food restaurants, other types of restaurants, bars and private clubs. It does not include beverages consumed elsewhere, including sporting events, private in-house parties, office/work, school, picnics/camping or another person's home.*

Beverage consumption at fast food restaurants, 1986

Tea was the growth leader at fast food restaurants between 1980 and 1986, but in 1986 it represented only 8 percent of the total volume share

	By individual	By volume
Soft drinks	74%	63%
Coffee	14	12
Tea	10	8
Milk	6	3
Fruit juices	5	2
Other nonalcoholic beverages	17	10
Alcoholic beverages	2	2

Source: National Restaurant Association, NFO Share of Intake Panel

Beverage consumption at tableservice restaurants, 1986

In terms of volume, coffee is the beverage of choice at restaurants other than fast food; in terms of penetration, soft drinks take the lead.

	By individual	By volume
Nonalcoholic beverages		
Soft drinks	44%	22%
Coffee	37	37
Tea	29	23
Milk	9	3
Fruit juices	8	2
Bottled waters	1	*
Other	10	3
Alcoholic beverages		
Liquor	10	1
Malt	9	6
Wine	9	3

**Less than 1 percent*

Source: National Restaurant Association, NFO Share of Intake Panel

nonalcoholic beverages constituted 82 percent of the total away-from-home consumption in 1986 while alcoholic beverages claimed 18 percent.

Demographic differences

According to SIP data, men generally consume a greater volume of beverages than do women. In 1986, males consumed almost a 58 percent share of the total away-from-home beverage volume compared to 42 percent for females. However, this proportion varies when individual beverages are examined.

Males consumed almost a 60 percent share of the milk volume in 1986 but only 43 percent of the bottled water volume. Both men and women have almost a 50 percent share each for wine consumption. Males dominated beer consumption, with a 78 percent share.

Consumption by restaurant type

In 1986, fast food restaurants claimed more than 31 percent of the volume for away-from-home beverage consumption. Tableservice restaurants grabbed a 52 percent share while bars and clubs garnered 17 percent.

□ **Fast food.** Seventy-four percent of consumers who ordered beverages at fast food restaurants in 1986 ordered soft drinks. Coffee placed second in orders at 14 percent. Examining consumption by volume, shows that soft drinks dominated beverage choices with a 63 percent share followed by coffee with a 12 percent share.

SIP information indicates that compared to 1980, fewer consumers are ordering coffee at fast food restaurants. They are opting for soft drinks and tea instead. Tea was the growth leader at fast food restaurants between 1980 and 1986, but in 1986 it still represented a modest 8 percent share of total volume.

□ **Tableservice restaurants.** As with fast food restaurants, soft drinks dominated beverage orders at tableservice restaurants in terms of penetration (44 percent). Coffee and tea, however, gained in prominance at these establishments (37 percent and 29 percent, respectively). In addition, alcoholic beverages garnered 28 percent of orders.

When beverage consumption at restaurants other than fast food is examined in terms of volume of consumption, coffee advances ahead of both tea and soft drinks—37 percent versus 23 and 22 percent, respectively.

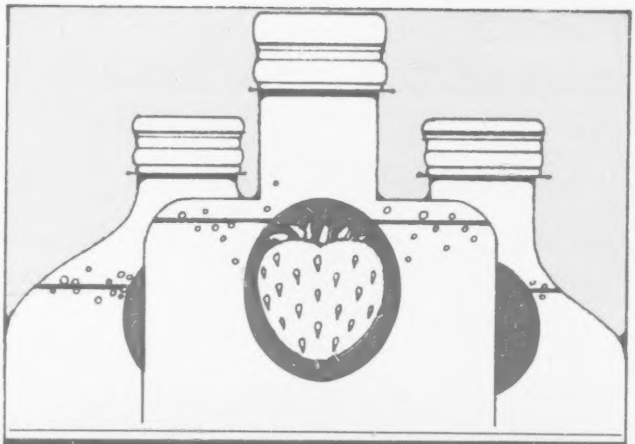
Men account for more than 50 percent of the volume consumed in eight out of ten beverage categories. Men consumed more than 80 percent of the volume of beer or malt beverages, 63

Index of alcoholic beverage consumption at tableservice restaurants, by volume

The volume of total alcoholic beverage consumption bottomed out in 1984

	1980	1982	1984	1986
Total consumption	100	88	80	85
Liquor	100	82	84	78
Wine	100	94	96	93
Beer	100	87	73	83

Source: National Restaurant Association, NFO Share of Intake Panel



Volume of tableservice restaurant beverage consumption, 1986

In 1986, bottled waters were the beverage of choice for females; malted drinks topped the list for males

	Percent share of beverages ordered	
	Male	**Female**
Nonalcoholic beverages		
Fruit juices	63.4%	36.6%
Milk	62.2	37.8
Coffee	58.0	42.0
Tea	56.8	43.2
Soft drinks	48.8	51.2
Bottled waters	26.2	73.8
Alcoholic beverages		
Malt	80.4	19.6
Liquor	60.9	39.1
Wine	54.9	45.1

Source: National Restaurant Association, NFO Share of Intake Panel

percent of the fruit juice, 62 percent of the milk and 61 percent of the liquor. Females lead in the volume of bottled water consumption with a 74 percent share.

Bottled waters show the most spectacular growth among all tableservice restaurant beverages. Since 1980, the number of restaurant patrons ordering the beverage has grown more than four times, and the volume of consumption jumped almost fivefold. Despite this dramatic growth spurt, the total volume of bottled waters consumed away from home in 1986 still represented less than a one percent share of total away-from-home consumption.

While tea has always been a well-established beverage at restaurants, this drink is gaining new popularity and growth. From 1980 to 1986, the number of individuals ordering tea at tableservice restaurants advanced by 8 percent while total volume jumped 33 percent. In part, this change is due to the increased consumption of tea by males. During this period, males increased the volume of their tea consumption by more than 50 percent at these establishments, but they cut back on their coffee and milk orders.

Females are also ordering more tea and bottled waters but less liquor.

What's happening to alcohol?

An examination of alcoholic beverage consumption at restaurants other than fast food between 1980 and 1986 shows an overall decline in volume consumed. If consumption in 1980 is used as the base year and set equal to 100, the volume of alcoholic beverage consumption by 1984 dropped approximately 20 percent. But, when 1984 is compared to 1986,

What is SIP?

The purpose of National Family Opinion's Share of Intake Panel (SIP) is to monitor the consumption of all beverages both at home and away from home. Every week, approximately 200 households are selected from National Family Opinion's panel base of 350,000. These households, which are balanced to match the latest Bureau of the Census information, are mailed a diary to record information on the entire household's beverage consumption over a two-week period.

Applicable data collected through the use of the SIP diary includes sex, age and income of the beverage consumer; where consumption occurred; type of beverage consumed; and, most importantly, total volume in ounces of the beverage consumed.

Panelists are instructed how to accurately measure the volume of their beverage consumption, especially when away from home.

Two components affect total consumption of a beverage:(1) the number of individuals drinking the beverage and (2) the volume which is drunk. The total volume of a beverage consumed is directly related to the number of individuals drinking the beverage (penetration) and the volume consumed by each drinker (ounces per drinker). For example:

Volume	=	**Number of drinkers**	×	**Volume per drinker**
Beverage X 100 ounces	=	20	×	5
Beverage Y 100 ounces	=	5	×	20

This example demonstrates that beverage X and beverage Y have identical volume consumption but vastly different consumption characteristics.

As a result, it is possible to obtain an accurate measure of who is drinking which beverages and how much. Comparing SIP information from year to year permits insights into the changing beverage preferences of away-from-home consumers.

consumption edged up 5 percent, indicating that the decline in alcohol consumption at restaurants has probably bottomed out.

Liquor, wine and beer exhibited different consumption patterns in the six-year time period. All three beverage categories posted volume declines. Beer experienced a 27 percent loss, but regained 10 percent between 1984 and 1986. Wine experienced a modest 6 percent decline between 1980 and 1982 but has maintained its volume at approximately 1982's level; this has been aided by the increasing popularity of wine coolers. Liquor posted the largest percent decrease in volume among the three beverage categories—down 22 percent since 1980. Fewer men over age 35 and fewer women of all ages are ordering liquor in restaurants.

In sum

Between 1980 and 1986 there have been major changes in away-from-home beverage consumption. Fast food restaurant orders for tea and soft drinks have increased while coffee orders have dropped. At tableservice restaurants, orders and volume for tea and bottled waters climbed while liquor and milk declined. The volume of beer, wine and liquor consumed at tableservice restaurants posted a loss over the 1980 to 1986 period, but the decline of alcoholic beverage consumption at restaurants appears to have bottomed out in 1984.

—Hudson Riehle

Where customers are drinking

	1986	
	Gallons consumed (000)	**Percent of total**
Tableservice restaurants	1,007,480	52%
Fast food restaurants	608,432	31
Bars and clubs	328,712	17
Total	1,944,624	100%

In 1986, consumers drank more than 1.9 billion gallons of beverages away from home. Where did this consumption occur? Over half was consumed at table-service restaurants while fast food restaurants snared another 30 percent. Bars and clubs claimed the remainder.

Since 1980, the gallons of beverages consumed away from home has risen by 1.5 percent. Restaurants and bars and clubs advanced 3 percent during this time frame while the gallons consumed in fast food restaurants declined by more than 1.5 percent.

In 1986 the most popular away-from-home beverages were soft drinks (661 million gallons), coffee (462 million gallons), tea (279 million gallons) and beer (280 million gallons).

Beverage Study Results

Market strong for mocktails, wine sales

This article summarizes some of the findings of the 1987 beverage study, Beverage Preferences: A Consumer Attitude Survey, *conducted by the National Restaurant Association. The study, a national telephone survey of 1,200 individuals, identifies consumer attitudes and behavior concerning beverage consumption in restaurants.*

Although recent data on beverage consumption indicates that alcohol consumption away from home has bottomed out and is beginning to rise (see the article on restaurant beverage trends in this issue), consumer concerns about drunk driving are unlikely to diminish. In fact, among the restaurant goers polled in *Beverage Preferences: A Consumer Attitude Survey,* 34 percent order alcoholic beverages less often now than in the past. Only 8 percent order them more often. Concern about drunk driving is cited by 17 percent of these less frequent drinkers as the reason why they now consume less alcohol at restaurants. But the primary reason, mentioned by 38 percent, is that they no longer enjoy alcoholic beverages. Twenty percent of consumers who are drinking less indicate health reasons as the cause, and 12 percent note the high cost of drinks. Only 5 percent of these restaurant patrons mention calories or weight control as the motivating force behind their decreased consumption of alcohol.

Almost 40 percent of consumers never drink alcoholic beverages at restaurants or eating places. As with those who are drinking less, the majority of these nondrinkers simply do not enjoy alcoholic beverages. An additional 22 percent have just never ordered alcoholic drinks at restaurants. Eighteen percent cite health reasons for not drinking, and the percentage is higher for those consumers 45 and older. Religious beliefs prevent 12 percent of restaurant customers from consuming alcoholic beverages away from home. Concern about drunk driving influences only 4 percent.

According to the association study, restaurateurs may be able to recoop some of the drop in alcoholic beverage sales. Study results indicate that there is a market for nonalcoholic cocktails (also known as mocktails) and opportunities for increased wine sales.

According to the study, nonalcoholic cocktails are the most preferred variety of traditional alcoholic beverage served without alcohol. Twenty-two percent of the respondents are very or somewhat likely to order such a drink at a restaurant, compared to 17 percent willing to try nonalcoholic wine and 13 percent willing to order nonalcoholic beer.

The major market for nonalcoholic cocktails appears to be among 18 to 24-year-olds. Thirty-six percent of these restaurant patrons are likely to order a mocktail compared to only 15 percent of those 45 years old and older.

This pattern parallels that found among consumers of place industry began to decline. The index hit a high of 103.6 in 1973, declined to 99.5 by 1980 and further dropped to 92.8 in 1985. Most of the decline has taken place in the last five years. Between 1980 and 1985, the rate of growth tumbled by 1.2 percent. What has happened during the current decade to cause productivity in eating and drinking places to decline?

Index of productivity for eating and drinking places*

Year	Output	Hours of all persons	Output per hour of all persons
1958	56.3	62.9	89.5
1965	68.0	72.6	93.7
1970	79.3	78.5	101.0
1980	107.9	108.4	99.5
1981	108.1	111.4	97.0
1982	109.6	113.4	96.6
1983	115.3	118.8	97.1
1984	120.0	126.5	94.9
1985	121.2	130.6	92.8

*1977 = 100

Source: U.S. Department of Labor, Bureau of Labor Statistics

Demand for improved service increasing employees

Lower levels of output are not the cause behind the decline in productivity in the eating and drinking place industry. Although the rate of growth has slowed slightly since 1980, output has continually advanced from year to year since 1974. Instead, the decrease in the productivity index can be traced to the tremendous growth in the number of hours worked by eating and drinking place employees. Since 1958, hours worked by all employees have increased 2.7 percent each year. From 1980 to 1985, however, the growth rate jumped to 4.0 percent. With employee hours growing at a faster rate than output, productivity has consequently declined.

As eating and drinking places expanded their operations in the 1960s and 1970s by adding more units, the increased sales volume was more than enough to compensate for added employees. But over the past few years, the growth of the foodservice market has slowed, resulting in increased competition. And at the same time, restaurateurs have had to respond to a rising demand for improved customer service. As a result, some operators have expanded their staffs at a time when expectations of sales growth are lower.

Labor shortage may also affect productivity

In addition to increased foodservice competition and greater consumer demands for service, the industry is in the middle of a labor shortage. The number of U.S. teenagers, a traditional source of labor in the industry, is shrinking, sending operators searching for alternative sources of labor or forcing them to operate short-handed. This is probably another factor affecting eating and drinking place productivity.

In sum

Because the BLS measure of productivity encompasses the entire eating and drinking place industry, productivity at individual establishments will naturally vary greatly. It is up to operators to examine their own operations to see whether labor is as productive as it should or could be.

This can be done by adding new equipment, experimenting with restaurant design and layout, analyzing staffing needs more closely and improving employee training. Some of these steps have been implemented in many operations. Double drive-thru windows are an example of how design changes can improve utilization of existing labor while, at the same time, improving sales and service. Expanded emphasis on takeout service is another way to lessen demand on staff while satisfying consumer needs.

—Laurence Greenberg

How the BLS measures productivity

In computing the index of output for eating and drinking places, the Bureau of Labor Statistics first separately adjusts eating place receipts and drinking place receipts for inflation. A weighted index, one that combines consumer price indexes for several merchandise lines (including meals, groceries, auto fuel, tobacco products and alcoholic beverages) based upon their proportion of total sales at eating or drinking places, is used for this purpose. For example, the price index for restaurant meals would receive the largest weight since it accounts for the highest proportion of total sales at eating places. After adjusting for inflation, these real sales indexes for both eating and drinking places are summed through the use of weights based upon hours worked by all persons. Eating places, which account for more employee hours than drinking places, are given greater weight.

During census years, sales are available by outlet type (restaurants, cafeterias, refreshment places and drinking places) and by merchandise line within each outlet type. The merchandise line sales figures are deflated by consumer price indexes and aggregated to the outlet level. Ultimately, inflation-adjusted sales for eating places and drinking places are derived and summed.

The census year output series is used as a benchmark for adjusting annual, non-census year sales. By using methods of linear interpolation, the annual output indexes are raised or lowered to conform to the level of the benchmarks.

In creating the employee hour indexes, BLS does not distinguish between different types of workers or their abilities. The all-person hour index is solely a sum of the hours worked by paid supervisory and nonsupervisory employees, partners, proprietors and unpaid family workers. The output (sales) index is then divided by the all-person hour index to create the productivity index.

Menu prices are rising

Food prices at both the wholesale and retail level are accelerating as inflation heats up in 1987. Last year, inflation hovered at a low level because of the rapid decline in energy prices. This effect disappeared when oil prices rebounded during the early months of 1987. The weaker dollar is also helping to fuel inflation by driving up prices of imported goods, including food products. Additionally, labor and other miscellaneous operating costs are edging up, causing businesses to raise prices to maintain profit levels.

Sharp increases in the wholesale prices of red meat, seafood and fresh fruits and vegetables have boosted the Producer Price Index (PPI) for all food in 1987. During the first six months of the year, the PPI for all food advanced 3.5 percent over the same period in 1986. This is more than double the 1.5 percent increase registered for all of 1986.

Menu and grocery store prices, as reflected by movements in the Consumer Price Index (CPI) for food away from home and food at home, are rising as well. Grocery stores in particular are feeling the heat of higher wholesale food costs. For the first time in this decade, prices consumers pay for food purchased at the grocery store are increasing at a faster pace than menu prices. Over the first six months of 1986, grocery prices climbed 5.2 percent versus a 4.1 percent advance in menu prices. Tough competition among restaurateurs is helping to keep a tight rein on menu price increases. Also, compared to grocery stores, the food cost component for restaurants is smaller. Consequently, the overall gain in the CPI for food away from home this year is expected to be only modestly higher than the 3.9 percent 1986 increase.

Consumers paying more at all meal periods

The average price consumers are paying to dine at restaurants is rising at all meal periods. The rate of gain, however, varies. Last year, menu prices posted the largest increase at breakfast/snacks for the first time since 1983—4.5 percent. Breakfast/snacks menu prices are continuing to climb at a faster rate than prices at other day parts, moving up 4.7 percent during the first half of the year.

The cost of eating out at lunch has risen by about 4 percent each year since 1983. In 1984 and 1985 dinner menu prices increased at a somewhat faster pace. This trend reversed itself in 1986 as lunch menu prices climbed 3.9 percent versus a 3.6 percent advance at the evening meal. During the first six months of 1987, lunch menu prices again increased more rapidly (4.1 percent) than dinner menu prices (3.8 percent) over 1986 levels.

Alcoholic beverage price increases slow

The CPI for alcoholic beverages away from home (1977 = 100) moved up a substantial 6.6 percent last year, following increases of more than 5 percent during the previous two years. In contrast, the CPI for alcoholic beverages at home (1977 = 100) edged up 1.9 percent for all of 1986 and rose 2.7 and 3.9 percent, respectively, in 1985 and 1984. In 1987, alcoholic beverage prices at restaurants are advancing more rapidly than those for alcohol purchased for at-home consumption; however, the rate of gain has slowed considerably. During the first half of 1987, the CPI for alcoholic beverages away from home posted a 3.9 percent increase, and the CPI for alcoholic beverages at home drifted up 1.7 percent over 1986 levels.

Menu price changes vary across the country

The CPI for food away from home and the CPI for food at home reflect average price changes for all urban consumers. However, the magni-

Percent change in wholesale food costs, menu prices and grocery store prices

Prices are rising faster in 1987 than they did last year

	1983	1984	1985	1986	1987*
Wholesale food costs	1.2%	4.5%	−1.7%	1.5%	3.5%
Menu prices	4.4	4.2	4.0	3.9	4.1
Grocery store prices	1.1	3.7	1.4	2.9	5.2

1967 = 100

First six months of 1987 versus first six months of 1986

Source: U.S. Department of Labor, Bureau of Labor Statistics

Percent change in menu prices by meal periods

Menu prices are increasing the fastest at breakfast/snacks this year

	1983	1984	1985	1986	1987*
Breakfast/snacks	5.5%	4.3%	3.5%	4.5%	4.7%
Lunch	4.0	3.8	3.9	3.9	4.1
Dinner	4.0	4.6	4.2	3.6	3.8

1977 = 100

First six months of 1987 versus first six months of 1986

Source: U.S. Department of Labor, Bureau of Labor Statistics

Percent change in menu and grocery store prices by regions and city populations

Menu price increases vary across the country

	1984		1985		1986	
	Menu prices	**Grocery store prices**	**Menu prices**	**Grocery store prices**	**Menu prices**	**Grocery store prices**
Region						
Northeast	4.7%	3.4%	4.8%	2.1%	4.4%	3.1%
North Central	3.5	3.2	3.2	0.9	4.1	3.2
South	4.4	4.3	4.4	0.9	3.5	2.7
West	4.2	3.8	3.5	1.9	5.1	2.3
City population						
More than 4,000,000	3.8%	3.5%	4.5%	2.0%	4.6%	3.5%
1,250,000 to 4,000,000	4.7	3.4	3.7	1.4	3.6	3.0
385,000 to 1,250,000	4.3	4.2	3.8	1.4	3.3	2.6
75,000 to 385,000	3.5	3.7	3.6	1.1	4.2	2.4
Less than 75,000	5.0	4.1	4.5	0.7	3.0	2.1

1977 = 100

Source: U.S. Department of Labor, Bureau of Labor Statistics

tude of change in menu and grocery store prices varies in different areas of the country. The following highlights briefly describe some of the variations in menu and grocery store price changes observed last year:

□ The largest gain in menu prices was registered in the West last year, and the smallest was seen in the South—5.1 and 3.5 percent, respectively. Menu prices advanced 4.4 percent in the Northeast and rose 4.1 percent in the North Central.

□ Overall grocery store prices advanced approximately 3 percent last year. The western states provided the only exception, posting a smaller 2.3 percent gain.

□ The nation's largest metropolitan areas, those with a population of over 4 million, recorded a 4.6 percent advance in menu prices and a 3.5 percent increase in grocery store prices last year.

□ Cities with populations between 75,000 and 385,000 registered a 4.2 percent rise in menu prices. Menu prices rose by under 4 percent in all other metropolitan areas.

□ Grocery store prices advanced by 3 percent or less in all but the largest metropolitan areas last year. In cities of more than 4 million people, grocery store prices moved up 3.5 percent.

The Bureau of Labor Statistics also tracks menu and grocery store prices each month for major metropolitan areas. Of the four largest areas, menu prices are rising the fastest in Los Angeles—5.8 percent over the first six months of 1987 when compared to the same period last year. Menu prices have advanced by just 3 percent or less in New York, Philadelphia and Chicago. On the other hand, grocery store prices are climbing substantially faster—6 percent or better—in all areas except Philadelphia, where the increase was 5.3 percent.

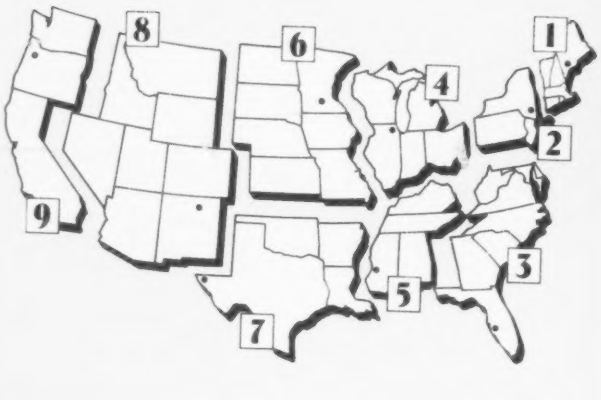
—Kate Conroy

Consumer Price Index update

The Bureau of Labor Statistics (BLS) recently completed a major revision of the Consumer Price Index (CPI). Data from the Bureau's *Consumer Expenditure Survey, 1982–84* was used to update the market basket of goods and services on which the CPI is based. Changes in demographics and real income are just two of many factors that cause shifts in consumers' purchasing behavior. In particular, the increase in real disposable income and the influx of women into the work force have altered the importance of food and beverages in consumers' budgets. As income rises, a smaller proportion of the budget is spent on food. At the same time, convenience foods, including restaurant meals, becomes more important. The rising number of working women has further boosted the proportion of the food budget spent on dining out. To reflect these changes, BLS has reduced the importance of food and beverages in the CPI market basket from 20.1 to 17.8 percent. And, within the food and beverages component, food away from home is now being weighted more heavily (38.6 versus 33.3 percent) while food at home has declined in importance (66.7 verus 61.4 percent). These and other changes made to the CPI should make it a better measure of price changes and a more precise reflection of the level of inflation in the economy.

Some limitations of the CPI

Tracking movements in the CPI for food away from home can provide operators with useful information. But, the index has some inherent limitations. First, the CPI measures average price changes for urban consumers, but it does not cover people living in rural areas, the Armed Services or in institutions. Second, percent changes in the index reflect only increases or decreases in prices in relation to a base year. Consequently, the CPI cannot be used to investigate differences in actual price levels of different items or across various areas of the country. Third, while the index takes into account all sales and excise taxes associated with the purchase, it does not make allowances for any promotional activity that may be going on during the survey period. This limitation is an important one for restaurateurs in light of the tremendous increase in the share of occasions on which promotions are used—up 26 percent between 1982 and 1986. As a result, the CPI for food away from home overstates changes in the cost of eating out.



1 NEW ENGLAND

Location: Southwest Harbor, ME
Association member: Chris Coston
Operation: Spinnakers By The Sea
Profile: Seafood dinnerhouse
In business: 7 months
Seats: 100
Meal served: Dinner

"Business is going very well," says **Chris Coston,** owner of Spinnakers By The Sea. His 100-seat dinnerhouse has been open for less than one year, "but we're quickly building a good reputation," he says.

Spinnakers, located about 15 miles from Bar Harbor and Acadia National Park, is housed in a cedar-shingled building that sits on a working harbor. Through the dining room windows, guests look out upon pleasure yachts and lobster boats.

Although local residents comprise the bulk of the off-season traffic, vacationers with summer homes fill the restaurant during the summer months. "Right now," says Coston, "most of the locals are too involved with the tourist trade to go out to dinner."

Spinnakers serves a lot of sauteed and broiled seafood but not as much whole lobster as might be expected, says the owner. The *Spinnakers Special,* linguine with lobster meat, shrimp and mussels in a light cheese sauce, has been moving especially well. Also popular is the *Seafood Deluxe*—Maine shrimp, scallops and crabmeat sauteed in lemon butter with mushrooms and scallions.

2 MID ATLANTIC

Location: Easton, PA
Association member: Constantine Filipos
Operation: Youell's Oyster House
Profile: Upscale seafood restaurant
In business: Over 50 years
Seats: 36
Meal served: Dinner

"We're in our peak season," says **Gus Filipos,** owner of Youell's Oyster House. "Seafood is popular in the summertime, of course, and we've got a lot of loyal local clientele who have been bringing in friends and visitors."

Youell's is located in Easton, a town of 26,000 on Pennsylvania's eastern border. The restaurant draws customers from New York, New Jersey and Pennsylvania. According to Filipos, some customers drive more than 100 miles.

Fresh Maryland crabmeat is the menu's focal point. "We serve it *meuniere, au gratin,* broiled with cheese and hot or cold with drawn butter," says the owner, "and we use crabmeat to stuff shrimp and flounder." Filipos also tops fish entrees and softshell crabs with pure backfin lump crabmeat, and he is particularly proud of his crab patties.

Other specialties include homemade clam chowder, oyster stew made-to-order, clams and oysters on the half shell, bouillabaisse, and fresh salmon, shark or tuna. The average check is nearly $30, and the restaurant turns its 36 seats quickly enough to do $400,000 in dinner sales yearly.

3 SOUTH ATLANTIC

Location: Sarasota, FL
Association member: Kenneth E. Neuhaus
Operation: Mel O Dee Restaurant
Profile: Fullservice family restaurant
In business: 32 years
Seats: 210
Meals served: Breakfast, lunch, dinner

"Business in our area is generally slower in the summer because there aren't as many tourists," says **Peter Fabrizio,** general manager of Mel O Dee Restaurant. "November to February is our peak period, but business has been steady this summer."

Mel O Dee is a traditional family restaurant, as demonstrated by its in-house baking, homemade soups and meats cut on the premises.

Businesspeople are responsible for the bulk of the lunch business; dinner draws mainly families and older people.

4 EAST NORTH CENTRAL

Location: Chicago, IL
Association member: Ed Prorok, Jr.
Operation: Home Run Inn Inc.
Profile: 2-unit fullservice pizza restaurant
In business: 40 years
Seats: 500, 300
Meals served: Lunch, dinner

"Summertime is our best time," says **Jerry May,** general manager of the Home Run Inn. "We get lots of people from the racetracks—just 5 minutes away—and from both of Chicago's major league baseball parks."

The Home Run, a westside Chicago institution, serves up to 2,500 pizzas on a busy night. The pizzas—thin crust only—have been made the same way for 40 years: homemade sauces and crusts, fresh vegetables and meat that is deboned and prepared on the premises.

The Home Run also markets a frozen nine-inch pizza through nearly 1,000 Chicago-area stores. The size of the pies makes them a perfect snack for two people or a meal for one. According to May, one million frozen pizzas will be sold in 1987.

The Home Run is building a warehouse to increase its frozen pizza production. "We're thinking of marketing the frozen pizzas to some surrounding states," says May.

5 EAST SOUTH CENTRAL

Location: Vicksburg, MS
Association member: James Monsour
Operation: Maxwell's Restaurant
Profile: Fullservice restaurant and supperhouse
In business: 19 years
Seats: 85 in dining room, more than 400 in private rooms
Meals served: Lunch, dinner

"Most local businesspeople agree that this year's tourist business is not as strong as in the past few years," says **James McMullin,** manager of Maxwell's. "Maybe Vicksburg and the state of Mississippi weren't promoted well enough this year. Still," he adds, "I can't complain."

After nearly 20 years under the original owner, Maxwell's changed hands last year, "but," says McMullin, "the name is still the same, and so is everything else." The restaurant continues to be known for its varied family cuisine and "old-fashioned Southern hospitality," says the manager.

The menu, jokes McMullin, lists "just about everything but the McDonald's hamburger." Favorites include steaks, grilled chicken livers, fried ham with raisin sauce, Southern fried chicken, catfish and oysters Rockefeller. In addition, the chef recently introduced a popular *whitened redfish,* which is topped with wine cream sauce and crabmeat.

6 WEST NORTH CENTRAL

Location: Northfield, MN
Association member: Brett Reese
Operation: Reub-N-Stein
Profile: Casual fullservice restaurant
In business: 18 years
Seats: 90
Meals served: Lunch, dinner

"Because we're in a college town, our business always drops a bit in the summer," says **Paul Goodfellow,** general manager of Reub-N-Stein. "But this has been our best summer yet." The restaurant's promotional activities include sponsoring a summer theater series at nearby Carleton College.

The rustic eatery, which resembles an old German tavern, does a brisk nighttime business at its two bars. "We get mostly businesspeople for dinner," says Goodfellow, "but our bar crowd is mostly students."

The specialty of the house is burgers and sandwiches, most of which are priced below $4. Ten different one-third-pound burgers, all fresh and hand-formed, are offered. The huge reuben, which accounts for half of the restaurant's name, leads the list of sandwiches.

Reub-N-Stein's menu also includes steaks, lasagna, chicken and chili. Recently, the owner has been experimenting with some vegetarian sandwiches and entrees, says Goodfellow, "because that's what the college crowd has been getting into."

7 WEST SOUTH CENTRAL

Location: El Paso, TX
Association member: Paul Peacock
Operation: Sioux Street
Profile: Fullservice restaurant
In business: 15 years
Seats: 135
Meals served: Lunch, dinner

"We're holding our own compared to lots of other local restaurants, but there have been quite a few closings," says **Paul Peacock,** owner of Sioux Street. "El Paso," he explains, "is a deceiving market because a relatively small core of people can afford to go to restaurants. In addition, we're closely tied to Mexico and the peso."

Sioux Street's Spanish facade belies its publike interior, which is dominated by dark woods, missionstone, exposed beams and carved trusses that were originally used in a turn-of-the-century municipal building. Located in the commercial district near El Paso Airport, the restaurant draws businesspeople and military customers from Fort Bliss.

Sioux Street specializes in seafood, prime rib and Mexican dishes. A popular appetizer is the *prime rib cocktail,* a nine-ounce cut covered with sauteed mushrooms and jack cheese and served on a bed of tomatoes, avocado and onion. *Puntas Sioux Street,* a Mexican dish adapted by the owner, consists of thin-sliced tenderloin covered with green chilies, red onions and fresh jalapenos and baked in its natural gravy with butter and spices.

8 MOUNTAIN

Location: Los Alamos, NM
Association member: Daniel Hogan
Operation: Los Alamos Inn
Profile: 115-room inn and restaurant
In business: 21 years
Seats: 145
Meals served: Breakfast, lunch, dinner

"Our business has been excellent," says **Bill Kee,** general manager of the Los Alamos Inn. "Over the years we've developed a very loyal clientele." The restaurant, which is housed in the main building of the hotel, resembles a private club, with its shuttered windows, chandeliers, high ceilings and three floor-to-ceiling windows.

Although the 115-room inn attracts mostly businesspeople and scientists who are visiting the nearby Los Alamos research center, the restaurant is particularly popular with local families.

Diners at the Los Alamos order from a broad menu of Spanish and American dishes. Steaks, prime rib, salmon, halibut and rainbow trout are balanced on the menu by fajitas, burritos, enchiladas and Mexican combination plates. A $5.25 "Sundowner Special," which includes a smaller serving of a selected entree plus rice or potatoes and salad bar, is offered each day from 5:00 to 6:30 p.m. The promotion, says Kee, has been an unqualified success, especially among older clientele.

9 PACIFIC

Location: Portland, OR
Association members: Gus Dussin, Robert Barr, John Dew
Operation: The Old Spaghetti Factory, Inc.
Profile: Fullservice multi-unit restaurant
In business: 18 years
Seats: 425
Meals served: Lunch, dinner

At The Old Spaghetti Factory in Portland, summertime is the peak period. "This summer's been excellent," says owner **Gus Dussin.** "We're having our best year ever." Portland's economy, he adds, "is on the upswing and ready to resume some growth."

The Old Spaghetti Factory chain, which started in Portland in 1969, now includes 20 units in different American cities plus four units overseas. Three new restaurants, in Atlanta, Oakland and Salt Lake City, are being built.

Like the Portland unit, most of The Old Spaghetti Factories are situated in renovated buildings in downtown areas. The restaurants are decorated with period furniture, antiques and polished woods, and each unit has a trolley car in the dining room.

The bulk of the restaurant's sales are, not surprisingly, spaghetti-oriented. The average check is $4.50 at lunch and $6.00 at dinner.

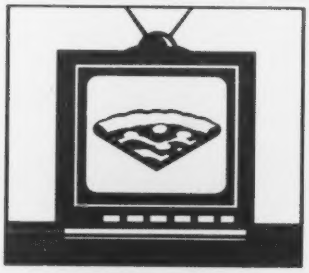
—David Slater

Domino's Pizza on the air

Domino's Pizza has joined the world of television. Its new video satellite network beams signals from company world headquarters in Ann Arbor, Michigan, to 10 Domino's sites around the country.

According to Tom Monaghan, company founder and president, the network was established to continue Domino's leadership role in the area of communicating with employees and training.

Jeff DeGraff, director of education and communications for Domino's, says the educational value of the new network is high because of its interactive capability, enabling people at remote locations to ask questions during the training programs. It also enables the company "to train employees we otherwise could not reach because of the high cost involved in bringing everyone together."



The video facilities will be available for use by other organizations both for videotape production and for field communications.

—Domino's Pizza

A $700 hamburger lunch

It was a quick, informal lunch. A customer came in for a hamburger and ended up with a $700 check.

But for $700 she got more than just a full belly. She also walked away with a rare poster that was hanging on the walls of The Collector, a new restaurant in Washington, DC. The burger itself cost only $5.

The Collector, open since mid-May, is a new twist in Washington's art scene. Owner Bill Wooby says he had to struggle with banks, insurance companies and the art community to get them to accept his new vision of how to sell art in Washington.

"Museums and galleries can be so cold and unfamiliar for a lot of people—here they can relax and slowly look at the art," explains Wooby. Wooby says he envisions The Collector as someone's home where diners can enjoy simple American cuisine and look at art over their shoulder.

—Washington Post

New medical virtues for garlic

Garlic has been used for centuries to ward off everything from vampires to the plague. A new study from researchers at the Akbar Clinic and Research Center in Panama City, Florida, indicates that there may really be something to garlic's infection-fighting ability.

According to researchers, people who ate two to three heads of garlic each day for three weeks showed large increases in the activity of their white blood cells. When placed in a lab dish with a variety of cancerous tumor tissues, these "natural killer" cells killed up to 160 percent more tumor cells than did cells from people who had not eaten garlic.

Researcher Tariq Abdullah, M.D., wants to excite the scientific community with the medical virtues of garlic. "Garlic is not just an immune enhancer. It has the broadest spectrum of any antimicrobial substances that we know of—it's antibacterial, antifungal, antiparasitic, antiprotozoan and antiviral," he says.

The garlic consumed in the study was raw or a cold-aged, odorless commercial brand.

—Prevention

Unlimited drink refills

Self-service beverages are the latest newcomer to the "all-you-want" bar concept. Carl Karcher Enterprises in Anaheim, California, wants its customers to "Stay, just a little bit longer . . ." and so it is giving Carl's Jr. restaurants patrons the option of getting unlimited refills of soft drinks, coffee and tea at no extra charge. The introductory promotion also features a one-liter plastic mug, sold for 59 cents with a beverage.

New TV spots promoting the beverage bar feature company chairman Carl Karcher mingling with guests at the beverage bar. The theme music is from the popular 1962 hit "Stay."

—Carl Karcher Enterprises, Inc.

It's not the same old fortune cookie

Fortune cookies are getting a makeover, thanks to such bakers as George Yep, Philadelphia's main fortune cookie maker.

Yep and several other bakers nationwide are updating the crunchy cookie's prognostications, with such words of wisdom as "Confucious say: When person say 'love,' better make sure word touch wisdom tooth on way out of mouth." Still others are more off-the-cuff, such as "Never trouble trouble until trouble troubles you," or oddly specific, such as "You are going to get some new clothes."

Yep says his fortunes come the traditional way—from a network of relatives and business associations. But he finds other sources, too. "Once in a while I get a gang of college kids. They have a party and write down their own fortunes," explains Yep.

Yep and others are also experimenting with the cookie's appearance. Yep says he is one of the first to make green cookies for St. Patrick's Day and to make wedding and bar mitzvah cookies. He makes specialized ones for political candidates, hospitals and other private firms that want to use them in a promotion.

—United Press International

VideoTraining

Train Profit
Today Tomorrow

The Education Foundation of the National Restaurant Association currently offers three VideoTraining Series to meet your training needs: **Waitstaff Training, Back-of-the-House Training,** and **Wine Training.**

With these training programs in hand, you can put together a successful training program or supplement your current program. In addition to providing reliable, straightforward instruction for your employees, the Foundation's VideoTraining reduces the planning and development time which often keeps busy foodservice operators/managers from giving their staff the full training they need.

The consistent training message helps ensure standardization in your operation. Standardization means increased efficiency and productivity.

Creating professionalism adds to profit

VideoTraining gives your employees confidence in their jobs. That confidence, and the professionalism which goes with it, translates into reduced employee turnover and higher productivity. Each VideoTraining program is flexible and can be taught in a group session or used by an employee for individual self-instruction.

Materials provided with each VideoTraining program

VideoTraining programs come packaged as a complete unit in a handsome binder/cassette case, color coded by series. The total package includes: Video Cassette, Leader's Guide, Student Course Materials

Waitstaff Training Series 4 tapes

If service is poor, surveys show that three out of four guests will not be back. You can't afford to take that chance in your operation. The Foundation's **Waitstaff Training Series** will help you ensure your customers are always pleased with the service they receive in your operation.

Service Part 1
  Preparation
  Greeting the Customer
  Taking the Order
Service Part 2
  Serving the Meal
  Maintaining Service
  Presenting the Check
   and Saying Farewell

Winning Tips

Suggestive Selling

Suggestive selling puts everyone in a winning situation. For the restaurant it increases check averages. For the customer, it enhances the dining experience. And for the waitstaff it increases their check size and hence, their tips.

Teamwork

This video is both motivational and informative. It concentrates on the methods the waitstaff can use to build a "team" relationship with each other and the rest of your operation.

Back-of-the-House Training Series 3 tapes

Spanish version available

Safe and Quality Food—Your customers depend on it when they eat your food. This **Back-of-the-House Training Series** will teach your staff methods for ensuring that the food you present your customers is both high quality and safe.

Back-of-the-House Part 1
  Introduction
  Purchasing
Back-of-the-House Part 2
  Receiving
  Storage
Back-of-the-House Part 3
  Preparation and Handling
  Holding and Serving
  Cleaning and Sanitizing

Wine Training Series 3 tapes

Wine offers tremendous profit potential for restaurant operators. But it's not as simple as buying a few wines and putting them on your menu. The best way to build wine sales is to build wine knowledge. This **Wine Training Series** focuses on the important aspect of creating and reinforcing a successful wine sales program.

Merchandising Strategies
  Goals for your wine list
  Developing a wine list
  Merchandising techniques
Wine Server Selling Skills
  From knowledge of the wine list
  to serving techniques
Wine: From Vine to Glass

How to Implement VideoTraining 1 tape

Although each VideoTraining program stands on its own with step-by-step instructions, trainers who have never used video training methods before will find **How to Implement VideoTraining** very useful as they plan their training session.

These training videos are sold as a complete set for a discount or individually. Member prices range from $50 to $175 per tape. A complete catalog with detailed descriptions is available.

For more information on how to Train Today and Profit Tomorrow, call the Educational Foundation of the National Restaurant Association

800/424-5156

toll free or (202) 638-6100.
311 First St. N.W., Washington, DC 20001

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MANAGING CONFLICT ■ SERVICE ■ EMPLO

THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION • VOL. 7 □ NO. 9 □ OCTOBER 1987

RESTAURANTS USA

ASSOCIATIONMEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management
10/26 Pawtucket, RI
11/2 Newark, NJ
11/3 Cherry Hill, NJ
11/10 Austin, TX
11/18 Tampa, FL
11/19 Milwaukee, WI
12/7 Aspen, CO

Increasing Sales: Effective Front-of-the-House Management
10/26 Louisville, KY
11/10 Baltimore, MD
11/11 Philadelphia, PA
11/16 Los Angeles, CA
11/17 Concord, CA

Kitchen Management
10/26 Toronto, Ontario, Canada
10/28 Harrisburg, PA
11/9 Virginia Beach, VA
11/11 Wichita, KS
12/1 Grand Rapids, MI
12/2 Bloomington, MN
12/7 Santa Monica, CA
12/8 Long Beach, CA

Tools for Training
10/27 Springfield, MA
10/28 Syracuse, NY
11/10 Birmingham, AL

Food Production Courses

Perfecting Your Culinary Skills
11/4 Pittsburgh, PA
11/11 Newport Beach, CA
11/13 Burlingame, CA

Soups and Sauces
10/26 Newark, NJ
10/27 Burlington, VT

Foodservice Management Courses

Banquet Management
10/21 Moncton, New Brunswick, Canada
11/2 San Diego, CA
11/4 Sacramento, CA
11/16 Baton Rouge, LA
11/18 Atlanta, GA

Beverage Management
11/9-10 Toronto, Ontario, Canada
11/17-18 Phoenix, AZ
12/8-9 Orlando, FL

Foodservice Operators' Legal Workshop
11/10 Raleigh, NC
11/16 Detroit, MI

Menus That Sell!
10/19 Minneapolis, MN
10/21 Madison, WI

Off-Premises Catering
10/19-20 Dearborn, MI
11/16-17 Portland, OR
11/30-12/1 Washington, DC

Operational Analysis
12/3-4 Baltimore, MD

Planning and Implementing Restaurant Marketing Strategy
11/4-5 Indianapolis, IN
12/9-10 Chicago, IL

Planning Successful Buffets
12/7 Jacksonville, FL

Profitability
11/16 Nashville, TN
11/17 Bloomington, MN
12/8 Denver, CO
12/10 Atlanta, GA

Real Estate and Restaurant Site Selection
11/9-10 Orlando, FL
11/30-12/1 Honolulu, HI
12/7-8 Seattle, WA

Restaurant Design
10/21-22 Boston, MA
11/11-12 Reno, NV
12/8-9 Atlantic City, NJ

Sanitary Assessment of the Foodservice Environment (S.A.F.E.)
10/20 Portsmouth, NH
11/9 Denver, CO

Wine and the Bottom Line
12/1 Providence, RI
12/3 Raleigh, NC

**For more information, contact:
National Restaurant Association Education Foundation
311 First St., N.W.
Washington, DC 20001
(800) 424-5156 or
(202) 638-6100.**

If your company is interested in our in-house programs, call or write to the attention of Frank Doyle at the association's Washington, DC, office.

NATIONAL CONFERENCE SERIES

Independent Foodservice Operator's National Conference
1/24-26 Miami, FL

National Conference on Computers in Foodservice
3/8-11 Orlando, FL

STUDY GROUP MEETINGS

Financial Officers
/6-8 New Orleans, LA

nteral Auditors
/26-29 Charleston, SC

arge Independent Operators
/18-20 Monterey, CA

Management Information Systems (MIS-formerly EDP)
4/12-17 Scottsdale, AZ

Marketing Executives
5/18-21 Chicago, IL

Multi-unit Architects, Engineers and Construction Officers (MAECO)
5/18-20 Chicago, IL

Quality Assurance
April (TBA)

Tax Executives
4/6-8 New Orleans, LA

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

Published by the National Restaurant Association

RESTAURANTS USA

VOL. 7 NO. 9 **OCTOBER 1987**

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Restaurants USA (ISSN 0890-5534) is published monthly, except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one-year subscription to ***Restaurants USA***. The non-member subscription fee is $125 per year. Second-class postage paid at Washington, DC 20001 and additional mailing offices.

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PRESIDENT'S REPORT

**Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc.; Louisville, KY**

Public Affairs Conference, association meeting resounding successes

I am pleased to report that this year's fall meeting of the National Restaurant Association Board of Directors and the third annual Public Affairs Conference were both tremendously successful in building the association's strength against unwarranted government intervention. At the board meeting, the government relations committee—comprised of the board's entire voting membership—reaffirmed the association's opposition to a minimum-wage increase, vowing to fight such an increase on all fronts. With regard to mandated health benefits proposals currently before Congress, the committee directed staff to develop a program that will educate the press and the public about the detrimental effects such legislation would have on businesses. And new fundraising goals were set for the association's PAC and for the Congressional Leadership Forum, the fundraising arm of the Political Education Committee (PEC).

At the Public Affairs Conference, congressional leaders, administration officials and political analysts addressed a record number of attendees about issues affecting foodservice. Attendees also had the rare opportunity to lobby one-on-one with their local legislators—both during private Capitol Hill meetings and at the elegant *Chef d'Oeuvre* reception, which was attended by 229 senators and congressional representatives. In addition, association officers took advantage of the time in Washington to meet with major media representatives regarding the minimim wage.

All told, the board meeting and Public Affairs Conference provided an excellent forum for foodservice concerns to be heard, discussed and acted upon. I plan to capitalize on the momentum built in Washington as we move our programs forward throughout the coming year.

Board approves building negotiations, joint memberships, involvement with Second Harvest

In other board meeting news, the association's Board of Directors approved negotiations for the purchase of a new building for the association's Washington headquarters. If purchased, the new building would be located in the heart of the city's business district. The board also approved proposals for joint membership between the national and the Hawaii and Maryland Restaurant Associations. The joint memberships, which were requested by the two state associations, will go into effect in 1988 and will add approximately 400 members to the national association. And, finally, the board approved association involvement with Second Harvest, a nationwide network of food banks providing food for the needy. Association staff will develop an appropriate program.

INFO 88 to be held in Miami in January

It is not too early to set aside January 24–26, 1988, to be in Miami for the fourth annual Independent Foodservice Operators National Conference—INFO 88.
In a short period of time, this conference has earned a reputation as the leading industry forum designed exclusively for independents. It is the once-a-year opportunity for operators to step back, evaluate their businesses and

obtain expert opinions from the industry's most qualified advisors. This year, the conference is being cosponsored by the Educational Foundation of the National Restaurant Association and *Restaurant Management* magazine, the trade publication geared toward the independent operator.

Again, the dates for the conference are January 24–26. The location is Miami's elegant Fontainebleau Hilton. Get your registration in early by contacting the association's educational foundation at (202) 638-6100 or (800) 424-5156.

Ad mats distributed, promoting careers in hospitality

"Make Money Making People Happy" is the slogan of the advertisements being used throughout Phase II of the America's Hospitality Industry image-boosting campaign. The ads have already been placed in the top vocational and student magazines in the country, and ad mats are now being distributed to hospitality companies for placement in their local publications. We are optimistic this ad campaign will demonstrate the rapid advancement and rewarding careers available in our industry to potential employees.

Wage and benefits survey due

A reminder: If you have not yet completed the questionnaire regarding wage and benefits practices for salaried employees and executives, please fill it out and send it in as soon as possible. The survey results, to be published early next year, will prove an invaluable resource for association members.

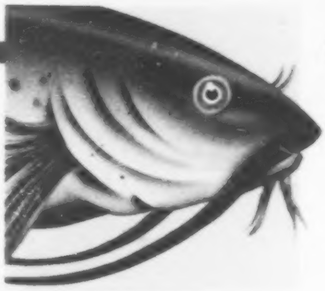
It is my pleasure to welcome 105 new members who joined the National Restaurant Association in September. Your participation in the association will benefit your business and will make the association more effective in its representation of the foodservice industry.

Sincerely,

Michael J. Grisanti
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: CATFISH



9 Catfish, once ignored as the "ugly duckling" of the waters, is surfacing as a hot menu leader in all types of restaurants. Chefs have discovered catfish's versatility, good price value, stable supplies and are experimenting with new recipes—much to their customers' delight.

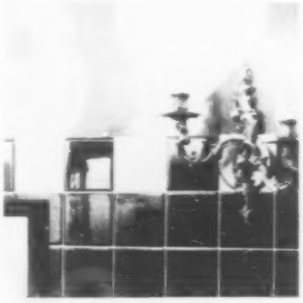
SPECIALS

13 Customer service
As the number of qualified applicants declines and consumer expectations rise, providing quality service has become a challenging priority for restaurateurs. This article outlines some of the ways operators are renewing their emphasis on service excellence.

16 Managing employee conflict
Employee conflict can take its toll on any restaurant operation—but it doesn't have to be that way. With proper training, managers can address and solve in-house conflicts. This article presents a six-step plan.

20 Tips versus service charges
Earlier this year, ***Restaurants USA*** looked at what operators think of tips versus service charges. Here is a look at what customers think about the two different systems. Based on the results of a Gallup survey commissioned by the National Restaurant Association, this "Foodservice Trends" special may help you decide which service method is best suited for your operation.

22 Stepping back into foodservice—a learning experience
The Educational Foundation of the National Restaurant Association awards summer work-study grants to foodservice educators so they can experience first-hand the pressures and rewards of working on-line. In this "Leaders of Learning" special, one educator relates how his experience has given him an updated understanding of the industry and an increased capacity to relate that understanding to students.



24 Flashy flushes
Using humor, panache and a touch of class, restaurateurs are turning often-neglected bathrooms into striking design features.

26 Employee dining
Realizing the appeal of employee dining facilities as an employee benefit and a productivity booster, more companies are paying attention to their in-house dining options. They are updating their menus and decor and adding new services, such as takeout and food carts for office-to-office delivery.

30 Marketing nutrition through menus
Once an operator decides to market nutrition, there is more than one method to follow.

33 Working with dietitians
Here's how dietitians can help you develop nutrition savvy.

Cover artwork by Julian Waters and Suzani

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- ☐ 1987/88 Catalog of Publications is out
- ☐ Master Sommelier Diploma Examination to be held in March
- ☐ Association logo being implemented

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- ☐ Polygraph ban approved by House committee
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- ☐ Association protests policy change on grape sulfite levels
- ☐ IRS offers seminars on magnetic media reporting
- ☐ Fahrenkopf says Republicans can regain control of Senate

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- ☐ Board hosts 229 members of Congress

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- ☐ Chain opens cluck advice line
- ☐ Waters opens market
- ☐ An upscale gamble

SHORTORDERS

Association group major medical plan now available

A group major medical insurance plan is available through the National Restaurant Association to association members and their families. This plan, underwritten by the Mutual Life Insurance Company of New York, is very economical because the association co-sponsors it with many other professional associations in a large group insurance trust. The mass buying power of these combined organizations keeps the cost to a minimum.

The plan provides up to $1 million protection for most health care costs. Covered expenses include hospital room and board charges, physicians' and surgeons' fees, prescription drugs, anesthetic and its administration, specialized equipment use, blood and plasma, convalescent nursing home charges, X-rays and laboratory tests.

Here's how it works: Each insured person has a choice of three deductibles—$300, $500 or $1,000. The deductibles have been designed to help keep the cost of the plan down. The higher the deductible selected, the lower the premium rate.

The deductible can be satisfied by eligible expenses from one or more medical conditions. And each insured person has up to one calendar year to accumulate these expenses.

Once the deductible has been satisfied, the plan pays 80 percent of all covered expenses. Then, after $1,000 in expenses have been paid by the insured (plus the deductible) the plan takes over completely to pay 100 percent of all covered expenses for the rest of the year.

Who is eligible? All members and spouses under age 65 as well as their unmarried dependent children under age 19 (under age 23 if a full-time student) may apply for this coverage. If you have employees, they may also apply by meeting the same age requirements. Once accepted, coverage can never be cancelled because of age. Even upon retirement, coverage may be continued although benefits will coordinate with Medicare.

For details on the association-sponsored $1 million group major medical insurance plan, contact the National Restaurant Association insurance administrator Albert H. Wohlers & Co., 1500 Higgins Rd., Park Ridge, Illinois 60068-5750. Or call toll-free (800) 323-2166; Illinois residents, call (312) 698-2221.

TO ALL SOMMELIERS

Do you aspire to be a Master?

Once again in 1988—only the second time in history—the Master Sommelier Diploma Examination will be given in the United States. It will be on Tuesday, March 21, 1988, and will be preceded by four days of intensive instruction and qualifying examinations. The program will be held in Monterey, California in conjunction with the Monterey Wine Festival, which is produced by the National Restaurant Association.

The Advanced Sommeliers Course will be held on Thursday, Friday and Saturday, March 17, 18, 19, 1988. An examination consisting of a tasting and theory paper will take place on Sunday, March 20, and those candidates who pass will receive their Advanced Sommelier Certificate and be eligible to sit for the Master Sommelier Diploma Examination the following Tuesday.

The instruction and tasting will be given by a joint panel of British and American Master Sommeliers. The program is limited to 20 candidates who will be invited based on resumes submitted. Candidates must have been employed in wine service for a minimum of five years.

Qualified professionals should send detailed resumes to Master Sommelier Exam, c/o the National Restaurant Association, 150 North Michigan Avenue, Suite 2030, Chicago, IL 60601. Resumes will be prescreened by a panel here in the U.S. in December 1987. Qualified resumes will be forwarded to the Court of Master Sommeliers in England and those to be invited will be notified by January 31, 1988. Those not selected will likewise be notified.

NATIONAL
RESTAURANT
ASSOCIATION
150 N. Michigan Ave. Chicago, Ill. 60601

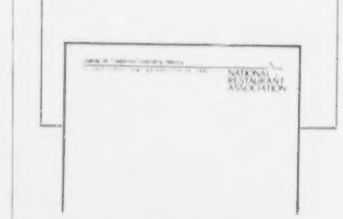
1987/88 Catalog of Publications is out

IONAL REST
CATALOG OF
PUBLICATIONS
1987·88

Whether you are looking for information on consumer behavior, foodservice law or facilities planning, the facts you need are available in National Restaurant Association publications.

Each book, manual, brochure and video is listed in the association's *Catalog of Publications.* This year's edition, listing more than 100 entries, has just been published. Don't miss the new section on association video training programs. These videos can help you meet your needs in waitstaff training, back-of-the-house training and wine training.

The catalog was mailed to association members in September. If you have not received your copy, contact the publications department in Washington, DC, at (202) 638-6100 or toll-free at (800) 424-5156.



The National Restaurant Association has adopted a new logo. The association's Board of Directors approved the new design at the spring board meeting and implementation of the logo is now underway.

Immigration law update

The Immigration and Naturalization Service (INS) has begun to enforce the provisions of the new immigration reform law, which requires employers to verify a prospective employee's eligibility to work in the United States by checking identification cards and filling out the new I-9 form. By now all employers should have received copies of the INS employer handbook, which explains the new law and the compliance requirements, and should have filled out an I-9 form for every employee hired after November 6, 1986.

The INS has also begun its "informational visits" with employers to see if they have filled out the required I-9 forms for their employees and to determine whether they are aware of their responsibilities under the new law. Only after such a visit will INS issue citations if the agency finds that an employer has hired illegal aliens or is failing to comply with the law's recordkeeping requirements.

INS announced this summer that in the case of continued noncompliance after a consultation with employers, a warning will be issued. Employers who disregard both the information and advice provided during the consultation and the further instruction of the warning notice would then—but only then—be subject to monetary penalties.

A civil fine of $250 to $2,000 could be levied for each unauthorized alien hired. A second violation would carry a fine of $2,000 to $5,000 per alien. More than two violations would result in fines of $3,000 to $10,000 per alien.

Polygraph ban approved by House committee

The House Education and Labor Committee okayed a bill (H.R. 1212) to ban the use of lie detectors in nearly all business settings. The committee defeated a number of amendments that would have allowed specific industries and professions to continue using polygraphs.

The committee also agreed to a ban on the use of voice-stress analyzers, written and oral tests and other devices designed to detect employee deception. An employer who violated the testing ban could be penalized up to $10,000. H.R. 1212 would also require employers to post a government notice explaining the prohibition on lie detector use.

The National Restaurant Association and other business groups have opposed the legislation, believing that lie detectors can be a valuable tool in deterring and uncovering employee theft and crime. The association believes an outright ban of their use is unwarranted and supports a compromise bill, H.R. 1536, introduced by U.S. Reps. Bill Young (R-FL) and George Darden (D-GA), that would allow polygraph use, but require licensing and regulation of polygraph operators.

Although no bill banning polygraph use has been introduced in the Senate this year, several senators are reportedly preparing such a measure.

Republicans can regain control of Senate, says Fahrenkopf

Frank Fahrenkopf, chairman of the Republican National Committee, discussed the prospects for a Republican majority in the Senate in 1989 during a recent National Restaurant Association First Thursday breakfast meeting. Fahrenkopf noted that in 1988, 18 Democrats and 15 Republicans will be up for reelection, giving the Republicans a chance to regain control of the Senate. The First Thursday meetings are sponsored by the association's Congressional Leadership Forum.

OSHA expands hazard communication standard

The Occupational Safety & Health Administration (OSHA) has issued a ruling that expands coverage of the "hazard communication standard" (HCS) to all employers with employees who may be exposed to hazardous chemicals in the workplace.

Until now, HCS had applied only to manufacturers. A series of legal challenges, however, resulted in a court ruling ordering OSHA to expand HCS to all workers. Employers must be in full compliance with the ruling by May 23, 1988.

The HCS requires chemical manufacturers, importers and distributors to supply material safety data sheets (MSDS) with shipments of hazardous chemicals. Employers must then develop a hazard communication program for exposed employees, which must include maintaining lists of all hazardous chemicals in the workplace and relaying information to employees on specific hazards, special operational procedures, protective measures and emergency procedures.

The association is studying the effect of this rule on foodservice establishments and has requested some clarifications from OSHA. As written, the rule could be applied to such products as detergents, cleansers, degreasers, sanitizers, floor treatment products, carbonator tanks and fire extinguishers.

Association protests policy change on grape sulfite levels

The National Restaurant Association is filing formal comments on a recent ruling by the Environmental Protection Agency (EPA) that allows grapes to be sold regardless of their sulfite residue levels. This ruling went into effect September 1, 1987, and is in response to a petition from California grape growers.

Although the Food and Drug Administration (FDA) has banned sulfite use on fruits and vegetables sold or intended to be served raw, grapes fall under EPA's jurisdiction because sulfites in this instance are used as fungicides, not preservatives. In December 1986, following FDA's lead, EPA set its interim policy for use of sulfites on grapes, requiring growers to use no more than 10 parts per million (PPM).

In response to the growers' petition, EPA amended its policy. The growers claimed that it is virtually impossible for growers to keep sulfite residues on grapes below 10 PPM because summer-harvested grapes must undergo repeated sulfite treatment while they are stored for marketing through the fall and early winter. EPA thus gave growers "two other acceptable options": (1) entering into a written agreement with the retail seller of the grapes that assures warning placards will be placed at the point of sale or (2) tagging at least 40 percent of the individual bunches of sulfite-treated grapes with a statement that the grapes have been treated with sulfites.

National Restaurant Association Executive Vice President William Fisher wrote to EPA Administrator Lee Thomas to lodge the industry's opposition. Allowing a special status for grapes "will lead to confusion and contradiction between EPA and FDA regulations and policies," Fisher noted, warning that EPA's policy reversal could "reopen the Pandora's Box of sulfites on raw fruits and vegetables."

Fisher said, "We emphatically disagree with this proposal to substitute signs or tags for good practice and to abrogate regulatory authority over use of sulfites on grapes."

Fisher noted that the association strongly opposes resurrecting the idea of on-premises signage. "Tags and placards are confusing, contradictory and, most important, ineffective," Fisher told Thomas. Fisher added that FDA had already come to that conclusion when it decided to completely ban sulfite use on fruits and vegetables.

Fisher urged Thomas to retain the 10 PPM certification program originally established under the December 1986 policy and to move rapidly toward establishing a formal tolerance, exemption or prohibition for sulfite use as a post-harvest fungicide on all raw produce.

New Tax Law TIP

To help you understand the new tax law, the IRS has two new publications. **Publication 920** explains changes affecting individuals and **Publication 921** explains changes affecting businesses. Both are free. Ask for one at any IRS office or call the IRS Tax Forms number in your phone book.

TAX TIP
A Public Service of the IRS

IRS seminars on magnetic media reporting

The Internal Revenue Service (IRS) will be holding a series of free seminars around the country this fall to explain how employers file Forms W-2 (Wage and Tax Statement) and 8027 (Employer's Annual Information Returns of Tip Income and Allocated Tips) on magnetic tape or diskette.

Information on seminar locations and dates may be obtained by contacting the Magnetic Media Reporting Division at the IRS National Computer Center, P.O. Box 1359, Martinsburg, West Virginia, (304) 263-8700.

Magnetic media reporting requirements apply to all employers who filed 250 or more Form W-2's or 8027's for tax year 1986. For employers filing on magnetic media for the first time in 1988 (for the 1987 calendar year), prior approval must be obtained from the IRS for 8027 filings and from the Social Security Administration (SSA) for W-2 filings. This "prior approval" process insures that an employer's computer information is compatible with IRS and SSA systems.

Employers would do well to file these prior approval forms early because early filers can benefit from the "testing periods" being offered by both SSA and IRS between October 1 and December 1, 1987, to help employers iron out any wrinkles in their filing systems.

Employers whose operations are not computerized or whose computers do not have the capability of complying with the magnetic media requirements may seek an exemption. Forms for exemptions and prior approval may be obtained from the Martinsburg, West Virginia, location and from local SSA offices.

—Jay Morris and Denise Roach

CATFISH

by Dorothy Dee

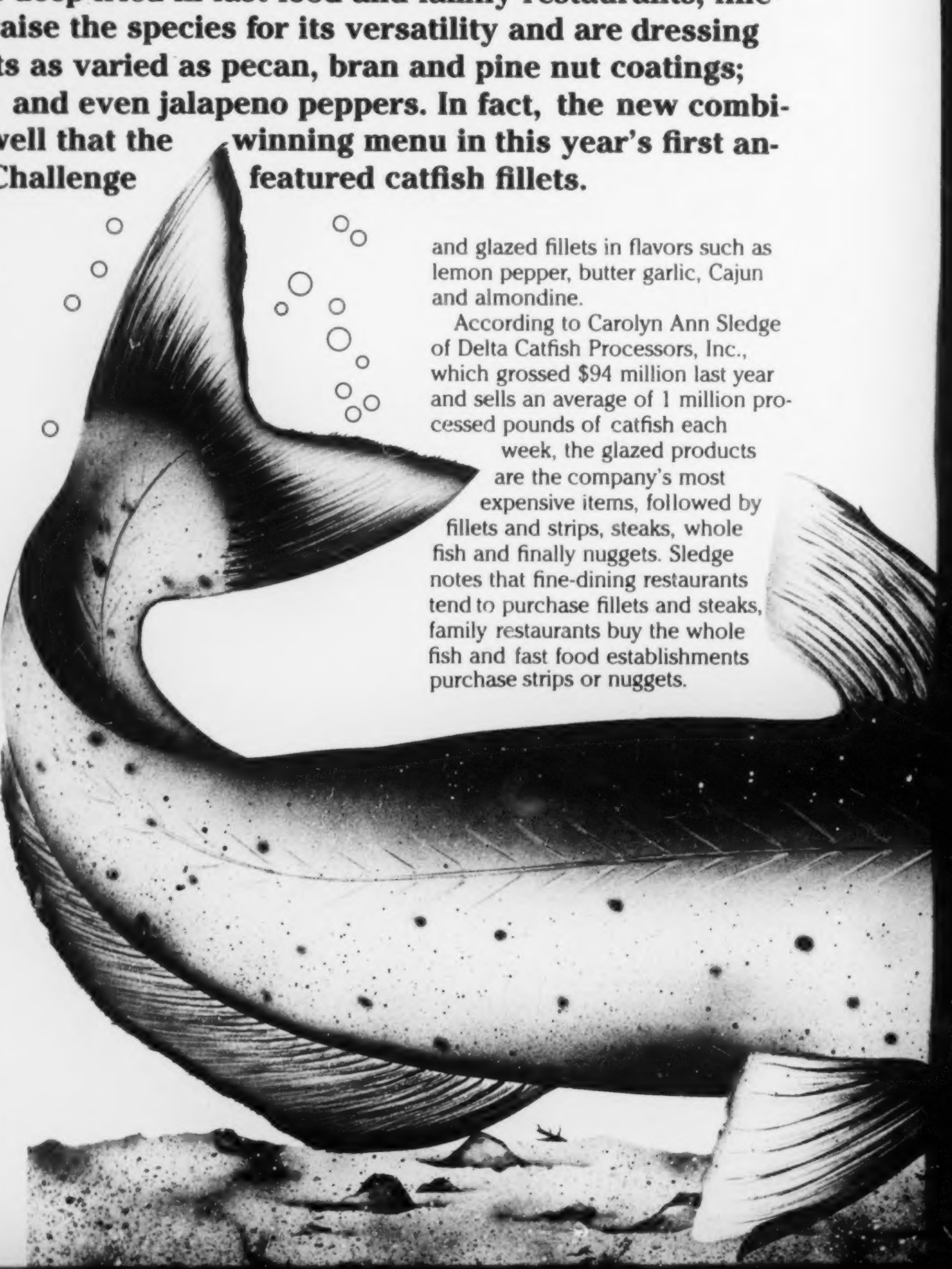
Once one of the best kept secrets of the South, catfish is jumping out of the ponds and into the pans of restaurants across the country. Known for its pale body, catlike teeth and whisker-like barbels, this ugly duckling of the waters is a customer pleaser on menus at all types of restaurants. While catfish is primarily breaded and deep-fried in fast food and family restaurants, fine-dining establishments praise the species for its versatility and are dressing "the cat" with ingredients as varied as pecan, bran and pine nut coatings; ginger with citrus fruits; and even jalapeno peppers. In fact, the new combinations are working so well that the winning menu in this year's first annual American Seafood Challenge featured catfish fillets.

Chefs across the nation are praising catfish for its versatility, virtual indestructibility, good price value, and, what may be more important to the restaurateur, stable supply.

Catfish can be fried, grilled, sauteed, broiled, blackened and even barbecued. It can be used as an appetizer or an entree, in soup or in a stew. Leftovers can be tossed with pasta or used in salads. Farm-raised catfish is sold without bones and lacks a fishy odor when cooked. Because the sophisticated farm-raised catfish industry is not dependent on the weather, the fish is available in plentiful supply. Catfish is low in calories, cholesterol and fat and high in protein. The variety known as "Mississippi Prime" is said to contain some Omega-3 fatty acids—polyunsaturated fatty acids credited with reducing blood clotting and blood cholesterol and lowering blood triglycerides.

Farm-raised catfish are available from processors year-round and are fresh, packed on ice or frozen. They are typically sold to restaurants dressed, cut into steaks, fillets or strips—finger-sized pieces cut from fillets—or shaped into nuggets. Some processors offer a line of seasoned and glazed fillets in flavors such as lemon pepper, butter garlic, Cajun and almondine.

According to Carolyn Ann Sledge of Delta Catfish Processors, Inc., which grossed $94 million last year and sells an average of 1 million processed pounds of catfish each week, the glazed products are the company's most expensive items, followed by fillets and strips, steaks, whole fish and finally nuggets. Sledge notes that fine-dining restaurants tend to purchase fillets and steaks, family restaurants buy the whole fish and fast food establishments purchase strips or nuggets.



Dorothy Dee is a freelance writer in Bethesda, Maryland

The catfish industry: No longer a "gentleman's pastime"

The catfish industry began as an experiment in supplemental income less than two decades ago when Mississippi Delta farmers sought a profitable sideline to cotton, soybean and rice farming. Since then, catfish farming has become one of the most successful domestication programs ever attempted. Today the farm-raised catfish industry processes approximately 212 million pounds of fish each year—up from only 5.7 million pounds in 1970, and it grosses in excess of $300 million. Further attesting to the former scavenger fish's growing popularity is The Catfish Institute (TCI) in Belzoni, Mississippi, a newly created trade association.

The transformation of the catfish has been helped along by the science of aquaculture. Instead of scavenging along the bottoms of muddy rivers, the majority of catfish in this country are "farm-raised"—grown in man-made, freshwater ponds. They are fed a carefully constructed diet of natural grains and proteins, aimed at producing a product with a mild, sweet flavor. (Wild catfish, which feed along the bottoms of rivers, are characterized by a strong, gamey flavor.)

Fifteen states produce farm-raised catfish, but the industry is centered in the Mississippi Delta region, with 80 percent of total U.S. catfish production produced by Mississippi, which has 86,000 acres of catfish ponds.

The process of farming begins with the careful selection of a brood stock. This stock remains in production an average of 12 years, producing 3,000 to 4,000 eggs per pound of body weight within that time. Once fertilized, the eggs of the brood fish stay in controlled hatchery tanks for seven days. At harvest, the catfish, now an average of 18 months old and 1 to 1.5 pounds in weight, are netted, placed in specially designed carrier tanks and transported to processing plants where they are kept alive up to the minute of processing.

However, not every catfish that finds its way onto a restaurant platter is farm-grown. According to the National Fisheries Institute in Washington, DC, approximately 30 to 40 million pounds of wild catfish were raised in the United States in 1986, and approximately 8 million pounds of wild catfish fillets will be imported into the United States in 1987 from countries like Brazil and Thailand.

Most catfish continues to be sold to a 10-state area in the South. Texas is the main catfish-consuming state, with each Texan putting away an average of 1.46 pounds each year. Other primary catfish-consuming states are Arkansas, Louisiana, Mississippi, Alabama, Missouri, Illinois, Kansas, Oklahoma and Tennessee.

But consumer awareness of catfish is spreading fast. Large chains such as Long John Silver's, Inc., Bob Evans Farms Restaurants and Red Lobster Restaurants, serve catfish with success in areas well beyond the South, including some Midwest and Middle Atlantic states.

According to The Catfish Institute, the greatest increasing demand for catfish is in the Pacific region (California, Oregon and Washington) with most of the growth centered in California. Last year California was the fifth largest consuming state with more than 6 million pounds of product sold.

Many spices go well with farm-raised catfish, including pepper, basil, bay leaf, curry, dill, garlic, ginger, marjoram, mustard, onion, oregano, paprika, parsley, rosemary, tarragon and thyme as well as lemon and lime juice, vinegar and wine.

In the kitchens

☐ Pesca, a 100-seat seafood restaurant in Manhattan's Flat Iron District, where the typical check for two is $50 to $75 for dinner and $30 to $40 for lunch, has been serving catfish for four years. According to Skip Dillon, one of the establishment's chefs, Pesca placed catfish on the menu in an attempt to move away from sole and because distributor samples proved tasty and different from the river fish Dillon remembered from his youth. "We thought when we started to get samples that the texture was very desirable," Dillon says. "It has an interesting, rich and complex flavor, yet it looks like sole when you cut it up in fillets."

Dillon has used catfish in stews and terrines. He has also served it as fritters and Portuguese-style with vermouth, citrus and lime. "Its most attractive asset is its versatility," says Dillon. "Catfish lends itself to different treatments and sauces—to Cajun, Creole or even a New England treatment."

But, Dillon warns, "Catfish needs a light touch. You must consider the sweetness and delicacy of the flesh. It cooks quickly. It doesn't have the oil content of salmon."

☐ The menu of Dallas' newly opened Actuelle, an 86-seat restaurant located in the Quadrangle in Oak Lawn, the city's equivalent of Beverly Hills, often features farm-raised catfish. in fact, chef and co-owner Victor Gielisse recently competed in the first annual American Seafood Challenge in Charleston, South Carolina, and snatched the title of America's Seafood Chef of 1987 from chefs representing 26 competing states. Gielisse,

Nutritional Comparisons*

	Baked catfish	Roast chicken breast	Broiled beef sirloin	Roast pork loin
Calories	146 kcal	170	215	240
Protein	22 gm	31	30	28
Cholesterol	65 mg	85	90	90
Omega-3	.7 mg	0	0	0

**Approximate nutrient content for 3.5 oz. cooked serving*

Source: The Catfish Institute

a member of the 1984 U.S. Culinary Team, dazzled the judges with *Sauteed Catfish Actuelle*, sauteed catfish fillets served with gingered black beans, red pepper cream, tomatillo relish and sesame roast asparagus.

"For some reason," Gielisse says, "catfish has been a hidden secret of the South. But the idea that it always has to be served fried is totally wrong." Gielisse, who believes that a good chef uses his knowledge and skills to offer familiar foods in unfamiliar ways, pleases Actuelle's clientele by serving catfish in a host of ways, including a pecan, bran and pine nut crust. Gielisse applauds catfish for its versatility and virtual indestructible quality. "It is a good product to work with," he says.

□ Chef Kazuto Matsusaka, executive chef at Chinois on Main, Wolfgang Puck's Chinese eatery in Santa Monica, California, couldn't agree more. The restaurant's *Sizzling Catfish* has become a signature item. *Sizzling Catfish* is deep-fried and presented whole with several ginger slices wedged into slits on both sides, sprinkled with salt, pepper and a little cornstarch. Some 30 to 40 of the entrees are sold each day.

"At the beginning everybody stayed away from it," admits Matsusaka. "They were scared when they saw the whole catfish—head, tail and everything. But once they started eating it, they said, 'This is so good.' People don't understand why you cook the whole fish, but it tastes so much better (than the fillet version)." Matsusaka buys farm-raised catfish from a supplier in northern California about 150 miles from Los Angeles.

□ Not all fine-dining establishments prefer the farm-raised catfish to the wild variety. Marvin Paige, president and owner of Manhattan's Claire Restaurant and Hamburger Harry's, prefers the gamey flavor of the river fish. Paige, who buys all of his fish from the Fulton Fish Market in New York City, purchases the wild variety when in season and serves it with cornmeal breading and jalapeno pepper sauce.

Familiar fare at fast food and family restaurants

Fast food and family restaurants are also having good luck marketing catfish. According to Public Relations Associate Tom Rodenhauser, catfish is a good seller for Bob Evans Farms Restaurants, especially in the company's heartland markets of Ohio, Indiana and Michigan. One of the first companies to bring the product out of the South, the company added catfish to the menu because it fit in with Bob Evans Farms Restaurants' image of traditional down-home cooking.

"We were looking to expand lunch and dinner," Rodenhauser says. "We didn't have a fish item on our menu. It was a unique, quality item and something we needed on our menu. Farm-raised catfish fit in with our

SAUTEED CATFISH ACTUELLE

Winning recipe, American Seafood Challenge

Serves 4

Ingredients:

4 (5 oz.) catfish fillets (cleaned and skinned)
2 cups black beans (soaked)
1 lb. fresh green asparagus
1 Tbsp. roasted sesame seeds
2 Tbsp. sesame oil
3 Tbsp. red bell pepper (diced)
3 Tbsp. yellow bell pepper (diced)
2 Tbsp. hickory bacon (diced)
1 Tbsp. shallots
1 tspn. freshly ground ginger
1/2 Tbsp. garlic (chopped)
1 Tbsp. cilantro (chopped)
2 Tbsp. olive oil
Salt and pepper

Method:

Soak beans for 1 1/2 hours. Cook until done but firm. Drain and rinse. Place olive oil in skillet; saute garlic, shallots, bacon and ginger. Add red and green diced peppers and season with cilantro, salt and pepper. Keep warm.

Clean asparagus, rinse and wash. Blanch in salted water for 5 minutes. Remove and shock in cold ice bath for one minute; drain and cut on a bias. Saute in a little olive oil and season with salt, pepper and sesame seeds.

Season catfish with a little salt, pepper, lemon juice and Worcestershire sauce. Rub small amount of shallots and garlic on fillets, dust with flour and saute each fillet in sesame oil until golden brown.

Serve with gingered black beans, sesame asparagus, red pepper cream and tomatillo relish.

—Victor A.A. Gielisse, CEC, Actuelle

RED PEPPER CREAM

Ingredients:

3 oz. unsalted butter
4 Tbsp. white wine vinegar
5 Tbsp. white wine
3 Tbsp. heavy whipping cream
1 tspn. shallots
1 clove red pepper puree
1 tspn. olive oil

Method:

Sweat shallots in olive oil. Add white wine vinegar, white wine and cream. Bring to a rapid boil. Add red pepper puree. Simmer 5 minutes.

Remove from heat. Put in blender or food processor and blend with "pulse" motion about 10 to 15 seconds. Strain through fine sieve. Season with salt and pepper. Bring to a boil again.

Remove from heat and whisk in unsalted butter. Keep warm until needed.

TOMATILLO RELISH

Ingredients:

3 tomatillos, cleaned
2 tomatoes, large, peeled, seeded, diced
1 Tbsp. fresh tarragon, chopped
1 Tbsp. shallots, chopped
2 cloves garlic, minced
1 tspn. butter
1 tspn. cognac

Method:

In saute pan, melt butter and sweat garlic and shallots until glossy. Add tomatillo and tomato and saute for 5 minutes. Add cognac, tarragon and salt and pepper. Simmer for 8 minutes over low heat.

CATFISH CARIBBEAN

Serves 4

Ingredients:
2 Tbsp. butter
1/4 cup chopped green pepper
4 Tbsp. chopped onion
1/4 cup chopped toasted almonds
1/2 cup fresh bread crumbs
1/4 tspn. oregano
4 Tbsp. fresh lime juice
1 Tbsp. chopped coriander (or chopped parsley)
1/2 tspn. salt
4 farm-raised catfish fillets
2 cups water
2 cloves garlic, crushed
1 bay leaf
1 tspn. red pepper flakes
Lime peel

Method:
Melt butter in skillet. Add green pepper and 2 tablespoons onion. Saute until onion is transparent. Add almonds, bread crumbs, oregano, 1 tablespoon lime juice, coriander and salt; mix well. Spoon filling down center of each catfish fillet. Roll up and secure with toothpicks.

In shallow baking pan, combine remaining 2 tablespoons onion, water, garlic, bay leaf, red pepper flakes and remaining 3 tablespoons lime juice. Place catfish in pan.

Bake at 400°F oven for 30 to 35 minutes, basting occasionally until catfish flakes easily. Remove catfish to serving platter. Garnish with strips of lime peel.

—The Catfish Institute

farm image." The company currently sells catfish as a sandwich and as the main ingredient in a dinner platter.

Catfish is also a good seller at some hotels. In fact, when the Hyatt Regency on Capitol Hill in Washington, DC, removed catfish from the menu for a brief period some years back, customers complained to the management.

Catfish is currently served at lunch in the Hyatt's 260-seat Park Promenade restaurant as an entree known as *You Don't Have To Call Me Charlie.* The dish features cut catfish strips dusted with spiced flour, fried and served in a tortilla shell with tomato chutney, cornbread muffins and steak fries. The Park Promenade's catfish is a good seller, hooking an average of 30 buyers each day.

PASTA WITH CATFISH AND ARTICHOKES*

Serves 8

Ingredients:
2 farm-raised catfish fillets
3 Tbsp. butter
1 cup sliced artichoke hearts
1 red pepper, cut into julienne strips
1 carrot, cut into julienne strips
1 zucchini, cut into julienne strips
2/3 cup heavy cream**
1/4 lb.angel hair pasta or vermicelli
1/2 cup grated parmesan cheese
1/4 tspn. ground nutmeg

Method:
Cut catfish in half crosswise and slice into thin strips. Saute catfish in melted butter; add artichokes, red pepper, carrot strips and zucchini. Cook until tender. Stir in heavy cream, keep warm.

Cook pasta according to package directions, drain. Toss well with cream mixture and cheese. Sprinkle with nutmeg. Serve immediately.

** Less than 300 calories per serving*
***For light cuisine, substitute 2/3 cup lowfat milk.*

—The Catfish Institute

When Long John Silver's, Inc., a limited menu seafood restaurant chain owned by Jerrico, Inc. in Lexington, Kentucky, introduced catfish on its menu, management thought it would be a good regional item in certain parts of the country. Known for its batter-fried fish, Long John Silver's buys frozen whole fillets with a special breading. They sell deep-fried catfish fillets with french fries, hush puppies and cole slaw.

Originally introduced in the South, catfish is now a menu item in about 1,300 of the company's 1,400 units and was recently introduced in some parts of Pennsylvania and in the company's region 4, which includes Kansas City, Missouri, and some parts of Kansas, Nebraska, Iowa and Colorado. Senior Executive Vice President and Chief Operating Officer Ted Papit says, "Catfish is a good seller with media support. We think it has helped some of our frequency by giving the customer something else to choose."

Red Lobster Restaurants, a large fullservice seafood dinnerhouse chain owned by General Mills Restaurants, Inc. in Orlando, Florida, operates in 35 states and grossed $975 million in 1986. Spokesman Dick Monroe estimates that catfish is in nearly 75 percent of the chain's 365 units. "Catfish has three things going for it—supply, quality and value," Monroe says. "With catfish there is continuity of supply. Catfish is one of the few seafood species that producers do not still hunt. Some of the other species are equally good, but you are at the mercy of the weather and migration of the species. Because of the aquaculture effort, the pricing of catfish remains relatively constant and a good value. When the fish are pulled out of the ponds, they are processed almost immediately, producing a high-quality product."

In fact, at Catfish Stations of America, which operates four fast food operations in Memphis, Tennessee, management often remarks that the product they buy frozen from Mississippi is "12 minutes from swimming." President Charles Parnell says the company, in operation since 1985, sells catfish whole or in strips and uses a total of 1,200 to 1,500 pounds of dressed catfish a week. "The industry has just scratched the surface," Parnell says. "Eventually catfish is going to do well everywhere. We have good interest from potential franchisees in areas like Wisconsin and Michigan."

And the 40-unit Catfish King Chain, operated by Great American Foods Corp. of Ore City, Texas, expects to expand into the Midwest by the end of the year. President Mike Jenkins says his units, now available for franchising, gross $1 million annually, and 95 percent of food sales are fried catfish.

Still, despite the success of catfish at fine-dining establishments and fast food and family restaurants, the National Fisheries Institute estimates that per capita consumption of catfish is about 0.5 pounds compared with 2.2 pounds for shrimp and 1.8 pounds for cod. The annual per person consumption for all fish and seafood is 14.5 pounds. Actuelle's Gielisse suggests that consumers "need a bit of re-education with regard to the product. The public has to get over the feeling that catfish is a poor man's fish." ❑

Renewed Emphasis on
Customer Service

Like a fine perfume, good service is subtle but effective. It elicits compliments. It sets the tone for a special evening. Whether it is the sincere greeting, the extra utensil supplied at the right moment or the careful explanation of a menu item, good service prompts repeat business—and the verbal recommendation that brings in new customers.

Unlike perfume, however, good service can't be purchased in a bottle. It is hard to find and even more difficult to define. Certainly, it involves efficiency in presenting the menu, taking the order, serving the food or offering a heartfelt invitation to return. But that's not all. Good service might be described as "efficiency plus."

Unfortunately, in the 1980s outstanding service has become the exception rather than the rule. A drop in the number of qualified job applicants and a rise in customer expectations are two factors that have resulted in a service crisis throughout the service industries. (See ***Restaurants USA***, March 1986.)

But restaurants, associations and companies involved with the foodservice industry are taking steps to respond to this challenge. Through new technology, training and recognition programs, a renewed emphasis is being placed on service excellence. Operators at chains and independents, from fast food to fine dining, are realizing that superior service is the intangible that can provide an edge on the competition.

Efficiency through new technology

Getting the food to the customer with speed and efficiency has always been an important aspect of good service, especially in the fast food and home-delivery sectors. To dramatize their service, many midscale and fast food restaurants are offering express lunches and one, five or seven-minute breakfasts.

In addition, double drive-thru windows and drive-thru-only kiosks are becoming more common throughout the country. Even companies traditionally known for their counter-service, such as the 1,400-unit Dunkin' Donuts of America, Inc., are combining a number of speed-oriented challenges. The Braintree, Massachusetts-based doughnut company recently instituted express service and remote seating and is installing drive-thru windows wherever local ordinances and codes permit.

Other specialized technology and equipment designed to improve service is also progressing rapidly. Remote headsets and cash registers connected by a modem to kitchen computer screens, which seemed so innovative just a short time ago, are now old news. A more recent innovation is a time-saving credit card system from the Celerex Corporation of Seattle, Washington. According to the company's president, Thomas Kegley, Celerex now offers a system that accepts major credit cards in less than 5 seconds, without requiring the customer's signature. The system deposits the merchant's money in his or her account on the next day.

Foodservice still a "high-touch" industry

Regardless of how many high-tech innovations are absorbed into the industry, however, foodservice will always remain a "high-touch" business. A customer's first contact with an employee often leaves the patron with a lasting impression about the restaurant. To help employees in their initial contacts, several operators are giving their workers the responsibility to make their own decisions when they receive complaints or unusual requests.

"The moment of truth is at the initial level of employee contact, not up in my office," says John Dixon, general manager of the J.W. Marriott Hotel in Washington, DC. Marriott's training is therefore geared toward "empowering the employee," so workers can use their own common sense to handle unexpected situations that require quick decisions.

Phil Bressler, national director of franchise concerns for the 4,401-unit Domino's Pizza company and also a Baltimore, Maryland, franchisee, considers it essential that his delivery people are able to make their own on-the-spot decisions. "We give them total autonomy when they get to a customer's door with a pizza," says Bressler. If the customer complains, the driver can decide then and there how best to please the customer.

Customer service specialists

In addition to more autonomy, operators in every segment are taking steps to recognize the contributions of their workers. Even on the fast food level, managers are taking their eyes off the stopwatch long enough to check that their employees are smiling. Carabo, Inc., a 20-unit Bojangles franchisee in South Carolina, has recently been rewarding its most hospitable workers and holding them up as an example to less experienced staff. In its "Customer Service Specialist (CSS)" program, geared mainly toward Bojangles' cashiers, employees with exceptional customer contact skills are singled out. The first step is a recommendation by a manager or supervisor. Next comes a CSS test. If the employee passes, he or she is awarded a special CSS nametag, uniform and letter of congratulations from the company president. And there is peer recognition as well. "Everyone in the store knows that these workers are CSS's," says advertising coordinator Elizabeth Cotter.

Not only has Carabo taken steps to build morale in traditional jobs, it has also created new ones. Hostesses are a rarity at fast food outlets, but not at Carabo's Bojangles. The chain has been hiring senior citizens to serve as hostesses in its dining rooms. These hostesses greet customers at the door, seat customers, fill drinks and carry on conversations when appropriate. One of the star hostesses is 71-year-old Lillian Dickerson who was recently honored with a special appreciation day.

Domino's Pizza, too, has taken steps to recognize workers who consistently provide good service—even if the service is a discount that costs the company money. Bressler, the franchise director, works hard to drive home the philosophy that the customer comes before the bottom line. He has been known to randomly pull aside workers and quiz them on discount policies. Those who have been honestly rewarding discounts, even when the customer did not expect one, are often given an on-the-spot cash bonus.

Bressler also encourages his workers to submit essays about their best efforts to provide superior service. Later, at staff meetings, the workers with the winning stories are awarded cash prizes. "We are working to build heroes out of our customers—and our workers," says Bressler.

Industrywide programs

Several industrywide programs have also been initiated with the intention of making stars out of hospitality workers. These programs are geared toward reminding workers, and the public, that foodservice employees perform a vital service and have a rewarding opportunity to interact with people each day.

The most comprehensive of these programs is the "Ours Is a Special World—America's Hospitality Industry" campaign. This ongoing campaign, launched early in 1987 by the National Restaurant Association and 14 other national associations, is the largest cooperative effort ever undertaken by the nation's service segment. "Ours Is a Special World" is aimed at raising the self-esteem of America's hospitality workers. Ideally, as a result

Recipe for perfect waiter wins contest

Although no chefs will ever use it, Anne Tylar's new recipe is still a winner. Her unusual recipe is not for the perfect entree, but the perfect waiter.

Tylar is the winner of the "Year of the Waiter" essay competition, sponsored by the Society for American Cuisine. Her unconventional essay approach won her a coast-to-coast culinary tour for two of the United States. In February she will visit some of the finest restaurants and hotels in San Francisco; Santa Fe; Dallas; St. Louis; Chicago; Washington, DC; and New York City.

Tylar's recipe for the perfect waiter included "two parts Walter Cronkite to one part Mae West, carefully blended with a cup of Mikhail Baryshnikov and a liberal sprinkling of Mother Theresa."

"I think it is really great of the society to take the time to recognize waiters," says Tylar, who works at the Union Square Cafe in New York City. "Because, where would the restaurant industry be without waiters?"

The essay contest is part of an effort by the society to elevate the status of servers, explains Patrick O'Connell, who is chef and co-owner of The Inn at Little Washington in Washington, Virginia, and a member of the society's board of directors.

"We hoped to open a door and listen to what waiters had to say about the dining experience. It was an educational vehicle for the waiters, restaurant industry and customers," O'Connell says.

The society plans to publish excerpts from many of the 210 entries in a book about restaurant service. "So many of the entries were so good. It would be a shame if the public did not have access to them," he adds.

According to O'Connell, many of the essays were as unconventional as Tylar's. There were many poems, a fictional telephone conversation between two restaurant critics and one script for a video.

The top nine essayists received expense-paid trips to the Symposium on American Cuisine, which was held in Charleston, South Carolina, from September 13 to 16. At one point during the symposium, the top four finishers were allowed to read their essays. "It was all very exciting. I learned a great deal about American cuisine and where it is going," says Lorel Nazzaro, who finished second in the competition with Celeste Fraser, a waiter at Savory's in Ann Arbor, Michigan, and David Deschamps, a waiter at Restaurant Jasper in Boston.

Nazzaro's essay was an account of an evening at the restaurant where she works, Twenty-Two Lincoln Restaurant in Brunswick, Maine. "What I was trying to portray in the essay was the variety of clientele at the restaurant and, that as a waiter, I always need to adjust to the needs of the customer."

—Tom McKeon

of the campaign, current workers will feel better about their jobs, and new workers will be attracted to the industry, thereby easing the labor shortage.

On another front, the Society for American Cuisine has heightened national awareness of the waiter as a foodservice professional by designating 1987 as the "Year of the Waiter." Patrick O'Connell, chef/co-owner of the Inn at Little Washington, Virginia, and chairman of the campaign, believes that the public's recognition of waiters as literate, well-spoken and ambitious professionals will lead to a corresponding improvement in the service provided by these men and women. As part of the "Year of the Waiter," the society sponsored an essay contest to uncover what makes a waiter great. Nine winners were chosen from a pool of 210 entrants (see sidebar).

The American Express Company is doing its part as well to raise the self-image of restaurant servers. This summer it established its Special Award for Service Excellence to recognize outstanding employees in establishments that accept the American Express credit card. This fall, the company awarded cash, vacation prizes and dining gift certificates to winners and special lapel pins to all employees identified for the award.

Service training

Many restaurants are introducing well-planned programs to improve service in their operations. The National Restaurant Association's Hospitality Project, for instance, is once again in wide use. Designed originally as a seminar offered by association instructors, the Hospitality Project was recently restructured into a do-it-yourself formula for use in individual establishments.

The project involves setting up standards of good service that can be easily taught and maintained. It includes a step-by-step training guide, an employee workbook and two slide/audiovisual presentations. By using these materials to define standards and then reinforce performance that meets the standards, operators across the country have raised the level of service in their restaurants.

Other restaurants are developing individualized programs to improve service. At the J.W. Marriott Hotel in Washington, DC, a professional actor has been hired to teach acting techniques to hotel employees. The intention, says hotel general manager John Dixon, is to make the employees more courteous, poised and hospitable to guests.

Tom Lane, a 15-year stage veteran with a background in training, is teaching employees the importance of interacting more sensitively with guests. "Instead of saying to a customer, 'There's nothing I can do about it,'" says Dixon, "Tom teaches the employees to say, 'There must be something we can do.' The relationship then changes from adversarial to participatory." Lane, who is Marriott's manager of training and development for hotels and resorts, offers regular workshops. A recent one on "Power Listening" taught Marriott employees to read a guest's mood and frame of mind and then respond in a suitable and correct fashion.

A management psychologist, not an actor, was called to the Geja's Restaurant in Chicago to unify the goals and efforts of the restaurant's service staff. With the help of the psychologist, a management program called "Gearing for Excellence" was developed.

John Davis, Geja's owner, initiated the program, he says, because "Everyone is essentially looking for excellence, but they don't know how to go about achieving it." Although it is still in its early stages, Davis is optimistic about the program which encourages managers to see beyond personality differences to the common goals they have in relating to customers, servers and other managers.

Other companies, such as New York City's Restaurant Associates, Inc., are appointing training supervisors and instituting training geared toward specific ends. For example, to promote the company's crabhouse concept, the staff is receiving special training that familiarizes them with crab-eating techniques and helps them teach these techniques to customers.

Driving home the point

To maintain standardized, consistent good service, many operations hold weekly and sometimes daily staff meetings. At Enzo's in San Francisco, staff menu tastings, particularly of specials, play an important role in server preparation. "When the waitstaff has information to share with customers about menu items," says owner Rich D'Allesandro, "their interaction is bound to improve."

Other operators, such as Joanna Filomena of Filomena's, still rely on one of the most effective methods of server inspiration—the floor presence of the owner and manager. At her Washington, DC, restaurant, Filomena spends as much time as possible on the floor to observe servers and gauge customer reactions.

Other time-tested techniques for customer input are still very much in use. Each month Domino's Bressler reads, and acts upon, 1,600 customer survey cards, and he occasionally brings patrons into the store to participate on Domino's "Customer Advisory Board." Customers on the board discuss the quality of food and service and then return in 10 weeks to see if service has improved. "Businesses that keep their promises to the customer are the exception," says Bressler. "And if you are the exception, you'll get a giant share of the market."

The Chicago-based Levy Organization, which operates 31 different concepts, also solicits input from individuals outside the company. The organization utilizes a "shopper program" to evaluate constantly every aspect of its operations, especially its service. In the shopper program, "mystery shoppers" visit Levy restaurants and fill out reports on everything from the hostess' greeting to the menu presentation and food quality. The reports are circulated first to the regional director of operations and then down through the ranks.

The shopper program, says marketing representative Susan Regal, is an effective reminder to all employees. The Levy Organization uses these reports not only to correct problems, but also to recognize employees who are doing a good job. "Employees who are recognized for a job well done are the ones most likely to provide the intangibles that keep customers coming back," says Regal. ❑

—David Slater and Kathy Smith

How to manage Employee

CO
FLIC

by Jeff D. Bryant

"The single most important variable in resolving employee conflict," says Tom Champoux, president of the Effectiveness Institute, in Redmond, Washington, is how the employees perceive the attitude of the on-line manager. Many restaurant owners and managers couldn't agree more. This article tells how managers can take the sting out of conflicts in their operations.

Stephen is a night manager at a busy steak and seafood restaurant. After four years in the kitchen and two years as a manager, he considers himself to be pretty adept at solving any operational problems that get in the way of the restaurant's ability to satisfy its customers and make money.

But tonight, Stephen is having the kind of Friday night he hates—the kind of night when his employees seem to "get in the way" of the restaurant's ability to achieve its goals:

☐ His swamped cook has just blown up at an experienced waitress who's been telling him to remake an entree.

☐ An older, experienced waiter is irked when a younger waiter wants to work a section that often yields higher tips.

☐ A veteran bartender is openly complaining about a new style of bar glass and is wasting alcohol from improperly poured drinks.

Although Stephen is a hypothetical manager, there is nothing hypothetical about the types of conflicts occurring in his restaurant. Conflicts between the front of the house and the back of the house, between old and new employees, between employees and management policies and between numerous other factions of a restaurant staff are common to the work environment of restaurants.

And in every restaurant there is someone like Stephen (an owner/manager, a shift manager or even a senior employee with decisionmaking responsibilities) whose job it is to make sure that these conflicts do not interfere with the restaurant's ability to serve customers and make money.

Often the person with this on-line management responsibility uses heavy-handed supervision, tightly controlled hiring procedures or lib-

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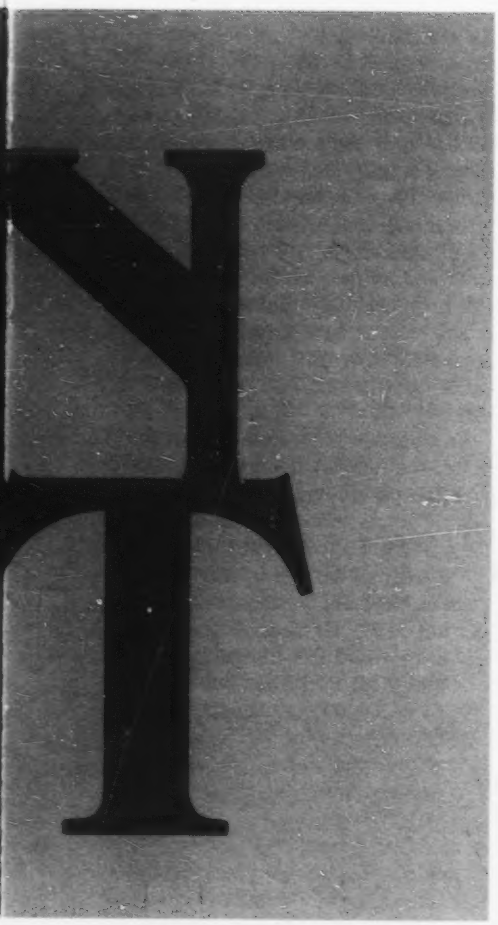


eral employee firings to resolve staff conflicts.

Tom Costello, associate professor at California Polytechnical University's (Cal Poly's) Center for Hospitality Management in San Luis Obispo, California, says "Many successful restaurateurs, managers and management consultants agree that solving conflict through autocratic methods doesn't work in the long run. What usually is more effective is for the person with the on-line management responsibilities to tone-down his or her role as decisionmaker and to steer the employee toward constructive problemsolving." In other words, managers must realize that the best way to deal with employee conflicts is to understand them, and manage them, but not to try to order, hire or fire them away.

Understanding the nature of employee conflict

According to Tom Costello, all employee conflicts go through six stages:

CONFLICT STAGE ONE

Manager's task: to locate the hidden agenda

In this stage the employee takes an "I'm-not-going-to-talk-about-it" attitude about a particular anxiety, resentment or frustration that he or she has experienced at work or at home.

Anything from a seemingly insignificant remark from a co-worker to a significant problem with drugs or alcohol can send an employee into this "hidden agenda" stage.

But what's most important to understand is that the real reason for the conflict gets buried behind an attitude that seems merely uncaring or negative. For this reason, stage 1 of an employee conflict is difficult for an on-line manager to deal with. Consequently, the person with the on-line management responsibility must be willing to dig behind the outward manifestations of a conflict and find the real causes. "You have to ask questions to find out what's really going on," advises Bill Main, owner/manager of the 260-seat Shore Bird Restaurant in Half Moon Bay, California.

Main suggests it is important to get the facts by talking to all the people involved and then documenting—in writing—the performance of each employee involved in the conflict.

Every week Main hands out "performance-related memos" that provide management and employees with written records of work-related events that occurred in the previous week. And employees document their observations by submitting suggestions to a suggestion box, by filling out employee evaluation questionnaires and by having access to an objective third party such as a part-time personnel officer or an Employee Assistance Program (EAP).

Main admits that such documentation leads to a lot of paperwork. But he believes that it's a commonsense way to record employee actions and, in turn, locate hidden agendas.

Susan Hasslocher, vice president of Frontier Enterprises in Austin, Texas, also emphasizes how important it is for an on-line manager to locate the hidden agenda in an employee conflict. "It's not always the complaining employee who is the problem," she says, "and the on-line manager has to have a sixth sense for being able to listen with ears and eyes." By concentrating on interpersonal skills, an on-line manager will be able to pick up on the tone of voice, body language and other clues that can reveal the hidden source of the conflict.

CONFLICT STAGE TWO

Manager's task: to establish an environment of trust and respect

In this stage the employee's emotions finally break through the "I'm-not-going-to-talk-about-it" attitude and are expressed, usually in anger, to a co-worker, a customer or the manager.

Sometimes the event that triggers the outburst is not directly related to the real source of the problem. Consequently, it's in this stage that the employee initiating the conflict seems to be most at odds with the restaurant's operational procedures.

However, this stage is actually an improvement over the first stage of conflict because the employee vents the emotions that interfere with listening, thinking and problemsolving.

How well the manager can help employees work through emotional conflicts depends on how well the manager treats the employees during this adversary stage.

The key to establishing this kind of trust and respect, say most managers and consultants, is the on-line manager's ability to listen, accept criticism and use discipline appropriately.

Listening becomes not only a way to discover the hidden agendas, but also the way the on-line manager proves to employees that their opinions count and their participation is important to the restaurant.

"Often," says Susan Hasslocher, "employees just need some empathy and a feeling that they belong." Listening to employees will reinforce that feeling of belonging and "convince them that the work relationship is a two-way street—employees work for management and management works for employees."

Of course, when the on-line manager decides to listen to employees, he or she is bound to hear some criticism of management policies and/or management style. It is important to depersonalize criticisms and not react defensively to such negative feedback, maintains Ted Balestreri, president of Restaurants Central in Monterey, California, and former president of the National Restaurant Association. "You have to be open when employees respond," Balestreri says, "even when they're critical. And say 'thank you.'"

Another important part of accepting criticism is being able to admit mistakes, and most restaurant managers feel it is to their advantage to do so. "When I make a mistake," says Bill Main, "I admit it. And I don't sugarcoat it either. I've built tremendous loyalties by admitting mistakes."

In addition to listening and being open to criticism, an on-line manager must use discipline discreetly to establish trust and respect when managing an employee conflict.

"Never, never, never discipline employees in front of other employees or customers," emphasizes John Meyler, owner/manager of Lox, Stock and Bagel Restaurant/Delicatessen in Greensboro, North Carolina. Rather, Meyler suggests that you get the problem employee off to the side and explain that, despite an overall good job, a problem situation needs to be addressed. Once you have made your point, you have to support the person you've hired.

CONFLICT STAGE THREE

Manager's task: to remind employees of the restaurant's goals

Usually, what follows an adversarial confrontation is an uneasy feeling of being adrift and uncertain. Employees wonder whether the disruption brought about by the conflict will ever be repaired by problemsolving. But to get the employee on the road to meaningful problemsolving, the manager has to focus the employee's attention away from the adversarial role and toward the overall objectives of the restaurant.

Dean Vial, manager of First Carolina Delicatessen, a 65-seat restaurant in Greensboro, North Carolina, emphasizes teamwork at this stage because he realizes that sometimes a lack of empathy causes employee conflicts.

"Waiting on the public," Vial explains, "isn't the same kind of pressure as reading tickets in the kitchen. Sometimes an employee loses sight of the fact that restaurant work is a group effort. And that's when the individual starts to notice discrepancies in work load and begins to feel like he or she's all alone and doing all the work." So the manager must remind the employee that the front of the house needs the back of the house, that management needs employees and that each member of the staff is dependent on the others.

Along with the emphasis on teamwork must come the recognition that each member brings various strengths and weaknesses to the team. National Restaurant Association Director Thad Eure, owner of the Angus Barn and Fat Daddy's chains in Raleigh, North Carolina, maintains that the on-line manager should consider an employee's strengths and weaknesses when resolving conflict.

Never make an employee "tough it out," Eure says. "If an employee is pushed beyond his or her limit, the manager must use substitutions or compensate in some other way. It's important to let people know that they have a safety valve and to be supportive of employees when they need it."

CONFLICT STAGE FOUR

Manager's task: to act as a moderator to help employees solve problems

This stage of conflict resolution is the beginning of meaningful problemsolving. In this stage, the employee and the manager come to an agreement about a specific course of action that will resolve the conflict. The manager doesn't dictate a solution, however. He or she acts as a moderator who sees that the employees arrive at a workable solution themselves.

Many managers, such as Danny Meyer, owner/manager of the 120-seat Union Square Cafe, New York City, use staff meetings to make sure that the staff has plenty of opportunity to discuss employee conflicts and resolve them. Meyer requires his kitchen staff and waiters to eat together after lunch and before dinner. He insists on daily shift meetings, and, for particularly difficult conflicts, he will "sit the two conflicting employees down with a bottle of wine and let them work it out on their own."

Another way that an on-line manager can act as an effective moderator is to employ what Tom Costello calls a "visualization technique." "People can't always visualize what is a good way to behave in a conflict," Costello explains. So the on-line manager needs to "let people explain how they would like things to have gone (and) let all parties describe how they would have liked everyone to resolve the conflict."

By allowing the employee to "visualize" a resolution, the on-line manager helps the employee "create performance expectations." "Then," Costello explains, "people learn by understanding the contrast between their actions and other people's expectations."

CONFLICT STAGE FIVE

Manager's task: to make sure employees adhere to conflict resolutions

This is another critical juncture for the on-line manager because he or she has to make sure the employee follows through, or has the opportunity to follow through, with the suggestions adopted in stage 4.

Too often, Costello notes, employees won't stick with a course of action or won't get the cooperation necessary from other employees. If this is the case and the suggested course of action fails, then the employee becomes frustrated or resentful and perhaps returns to stage 1. If the employee succeeds, then the conflict resolves itself.

Bill Main believes that confrontation is the most important way for the on-line manager to ensure that an employee adheres to agreed-upon policies. "That confrontation," Main says, "has to be approached as something normal and healthy. It has to treat employees as human beings—and that's where we as managers and owners earn our paychecks."

Main also suggests that managers use documentation—a written record of the solutions to a conflict—to support any confrontations over policy. "When managers have a written record of their expectations," Main says, they avoid the 'nobody-told-me syndrome' and clear up any lack of communication with respect to policy." Main reaffirms management positions with an in-house newsletter that is included with each paycheck. And he provides his staff with a confidential Employee Assistance Program to "document" an employee's determination to resolve a conflict brought on by personal problems.

CONFLICT STAGE SIX

Manager's task: how to maintain a positive work environment

By working together, the manager and the employee can return to a positive work environment, and the manager can take preventive measures to reduce the chances of the conflict reoccurring.

Most restaurateurs and consultants agree that openness, recognition and flexibility will help reduce the potential for conflict. For example, Susan Hasslocher believes that the bottom line to achieving a positive work environment is to "discuss company objectives, but also to encourage each employee to discuss his or her own concept of the job and give each employee as much authority and flexibility as possible."

Leon Gottlieb, president of Gottlieb & Associates, Tarzana, California, adds that an effective on-line manager needs to question employees about themselves, the menu and the restaurant's customers. These questions should venture into areas of weakness—such as unpopular items on the menu.

Gottlieb also recommends that a manager create more openness in the staff by becoming more personally involved with employees' lives. "Send flowers on special occasions and make new foods for the staff so they aren't getting the same old thing at work," he urges.

Complimenting employees is another effective way to create a more positive work environment. "Verbal acknowledgment," says John Meyler, "is as or more important than pay raises. But only compliment jobs that are well done. And try to give group acknowledgement so that one person is not always singled out."

Also, many restaurant managers believe that increasing a staff's flexibility will produce a more positive and open work environment. For instance, National Restaurant Association Director Michael Hurst, owner/manager of the 260-seat 15th St. Fisheries, Ft. Lauderdale, Florida, builds flexibility into his staff by using:

☐ flexible work schedules,
☐ flexible work assignments and
☐ an "expediter" to take care of the communication between the kitchen and dining room.

Flexible work schedules, Hurst believes, allow an employee to work a schedule that combines day shifts, night shifts and swing shifts in between. "This helps personnel understand the problems inherent in each shift," Hurst says, "and the work schedule isn't so rigid that employees can't find time for personal pleasures."

Flexible work assignments allow cooks to learn to tend bar and wait tables, busboys and food-runners to get cooking experience on slow nights, and waiters and cooks to learn the duties of the assistant manager and the expediter. "This flexibility," Hurst says, "creates empathy between workers because they experience the pressures of each position." And this empathy, in turn, helps to reduce conflict.

"And the common conflict between the cooks and the servers is avoided by using an expediter," Hurst claims. The expediter is an experienced employee who understands the problems encountered in the kitchen and in the dining room. And he or she shuttles in between the front of the house and the back of the house to take care of the most immediate problems—whether it's a backup in the chain of food production or a momentary crisis with a customer in the dining room.

Plus, the expediter takes care of all communication between the cooks and the waitstaff. "If the cooks have a problem with an order," Hurst explains, "they ask the expediter. The expediter gets the rationale from the server and communicates it back to the cooks."

Building this kind of flexibility into his staff helps Hurst serve, on a busy Saturday night, more than 900 dinners with only three cooks, an expediter and an efficient waitstaff.

Upper management's commitment

Most restaurant management experts are quick to point out that the on-line manager needs exceptional interpersonal skills to build staff relationships that don't rely on conflict to solve problems. The only way to obtain such skills is through training—training that concentrates on interpersonal skills rather than on operational procedures.

According to Tom Champoux, president of the Effectiveness Institute, "80 to 85 percent of training goes into teaching technical skills. Yet 90 percent of managers say that the problems they face aren't usually technical in nature. This fact seems to escape most upper management," Champoux adds, "who usually say, 'We can't afford to train managers in interpersonal skills.' But, I say, 'you can't afford not to.'"

Successful restaurateurs such as Susan Hasslocher couldn't agree more. Hasslocher believes "training is the key." This training, she explains, "should concentrate on interpersonal skills, such as how to field gripes, how to praise and criticize workers and how to confront an employee."

Upper management's role is to incorporate interpersonal skills training into its training programs—even if it means using outside specialists—and by subsidizing continuing education for key employees. With this type of training, on-line managers will have the skills they need to manage the problems posed by employee conflicts. ❑

What Customers Think About

Tips vs. Serv

by Susan Mills and Hudson Riehle

The custom of leaving a tip has become amazingly routine for millions of restaurant patrons year after year, meal after meal. But in recent years there has been an alternative—the fixed service charge—which more than 50 percent of all adults have experienced. What do customers think about these very different systems? The National Restaurant Association commissioned a Gallup survey to find out. The results, which are summarized here, indicate most prefer to tip although many don't understand how service charges or tips work from the restaurateur's point of view.

As ***Restaurants USA*** pointed out earlier this year (February 1987), restaurateurs have differing opinions about tips versus service charges. But many consumers may be confused about the issue, according to the results of a Gallup survey. The survey, conducted for the association, specifically sought to determine:

☐ consumer attitudes toward tipping,

☐ consumer attitudes toward the service charge system and

☐ consumer experience with the service charge system.

Consumers like tipping

The average adult is no stranger to tipping—leaving a tip at a restaurant almost three times in a two-week period during May 1987. Survey results indicate consumers prefer to tip at restaurants. Three out of four consumers (75 percent) decided how much tip to leave based on the service they received at the restaurant. More than six out of 10 consumers (63 percent) believed that the tipping system is fair to waiters and waitresses. And just one out of three individuals (34 percent) would like it better if they were not expected to tip at restaurants.

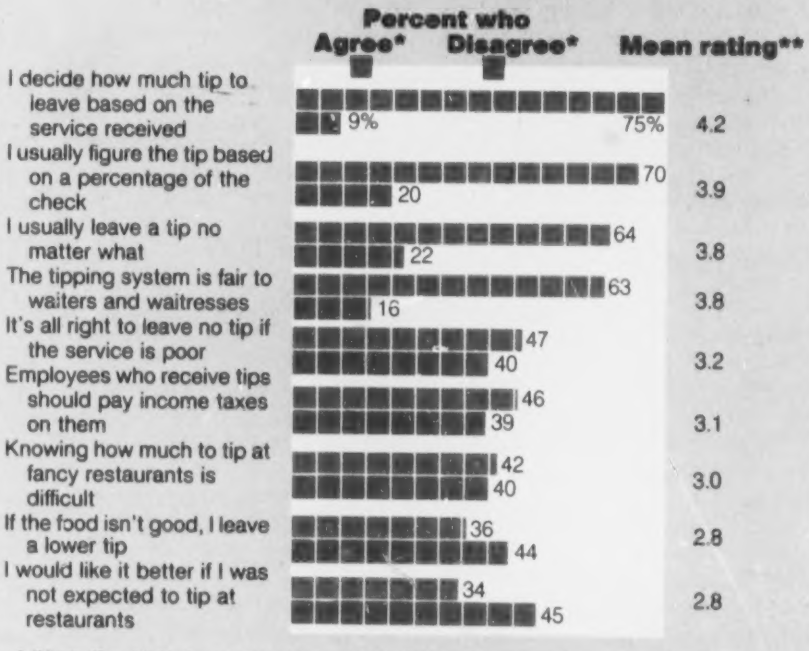
Results also indicate that restaurateurs may have to be more cautious than imagined when interpreting the meaning of a poor tip. Thirty-six percent leave a smaller tip if the food is not good, penalizing the server who has little control over good quality. Surprisingly, males are more likely than females to leave less tip if they do not like the food.

In addition, survey results indicate that frequent diners and younger patrons are somewhat more likely to determine their tip amount based on the service received than the less frequent diner. Almost eight out of 10 consumers (79 percent) age 18 to 24 agree that they decide how much tip to leave based on the service received, compared with 66 percent of those age 65 and over.

Twice as many consumers 65 years

Consumer attitudes toward tipping

Three out of four consumers base their tips on service



* "Agree" = 4 and 5 on a five-point scale. "Disagree" = 1 and 2 on a five-point scale.
** Mean scores based on a scale of 1 to 5 where 4 and 5 indicate agreement and 1 and 2 indicate disagreement.

Source: National Restaurant Association Gallup Survey, April 1987

Half of consumers have service charge experience

The Association Gallup survey revealed that a majority of consumers (54 percent) have eaten at a restaurant where a service charge was added to the check. Nearly one out of two consumers (49 percent) had encountered a service charge system while dining in the United States, and 12 percent while dining in another country.

Consumers who were most likely to have service charge experience at a restaurant in the United States

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Susan Mills is director of research and information services and Hudson Riehle is research manager at the National Restaurant Association.

ice Charges

old and older (51 percent) would like it better if they were not expected to tip at restaurants versus individuals 18 to 24 years old (25 percent). Those individuals with lower incomes also express a slightly greater preference for not tipping at restaurants.

Upscale diners mystified by tipping

Tipping at fancy restaurants is something of a mystery to many consumers. And it's not just those unlikely to visit fancy restaurants who say they have problems. More than one-third of those who eat out frequently, those who have incomes over $30,000 and college graduates have difficulty tipping at upscale places. Overall, 42 percent of all respondents agreed that they find it difficult to determine how much to tip at upscale restaurants. This suggests that some sort of tactful guideline might be of help to patrons of these establishments.

Consumers split on taxing tips

Forty-six percent of respondents agree with the statement that "Employees who receive tips should pay income taxes on them," but a nearly equal proportion—40 percent—disagree. Young adults are most likely to take this position. In fact, a majority of 18 to 24-year-olds, 61 percent, don't think income taxes should be paid on tips. It's difficult to imagine why those who don't think income taxes should be paid on tips take that position. Perhaps they don't think any income should be taxed. Perhaps they believe tips are gifts that should not be subjected to income taxes.

Customers don't understand service charges

Consumers are even more confused about the service charge system, although more than half say they have eaten at a restaurant where a service charge was added to the check. Just one-third regard the service charge system as fair to waiters/waitresses versus 63 percent who say the tipping system is fair. At the same time, a majority (62 percent) agree it is the responsibility of the restaurateur, not the customer, to pay the service staff, and 59 percent agree that servers should receive guaranteed wages instead of tips.

Certainly, the service charge system provides employees with a guaranteed hourly wage rather than tips. So this suggests that most customers don't really have a grasp on how service charges work. A better understanding of how the system works might make it more acceptable to customers.

Restaurateurs who plan to introduce a service charge system should also know that four out of 10 consumers (46 percent) think that service could suffer under a service charge system, with servers not inclined to provide as good service as under a tipping system.

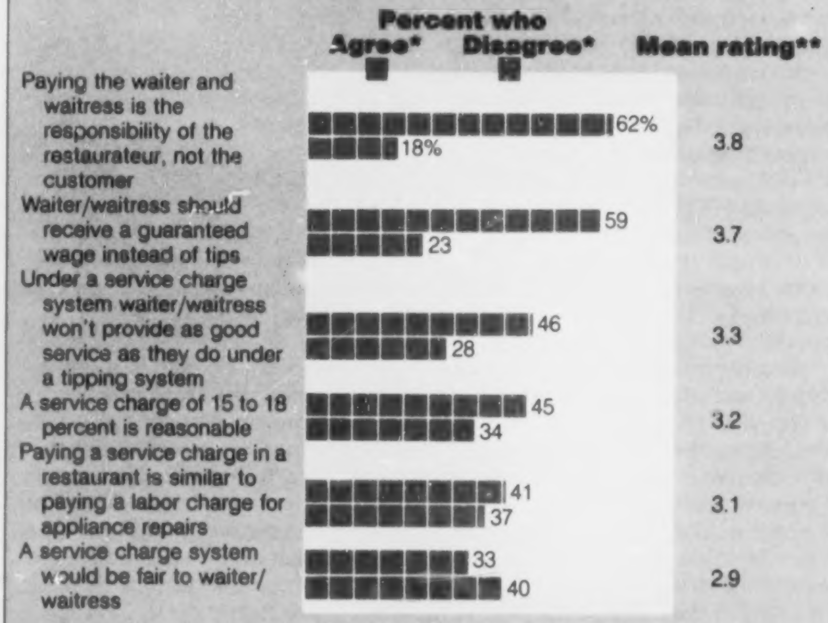
☐ are 25 years old or older
☐ have annual household incomes of $20,000 or more
☐ are married
☐ reside in the Midwest or South
☐ live in a suburb and
☐ have eaten out one or more times during the past two weeks.

Those consumers who were most likely to have service charge experience at a restaurant in a foreign country

☐ are Eastern residents
☐ have annual household incomes of $20,000 or more
☐ have eaten out five or more times in the past two weeks and
☐ live in the central city.

Consumer attitudes toward adding a service charge to the bill

A majority of consumers feel it is the restaurant's responsibility to pay servers

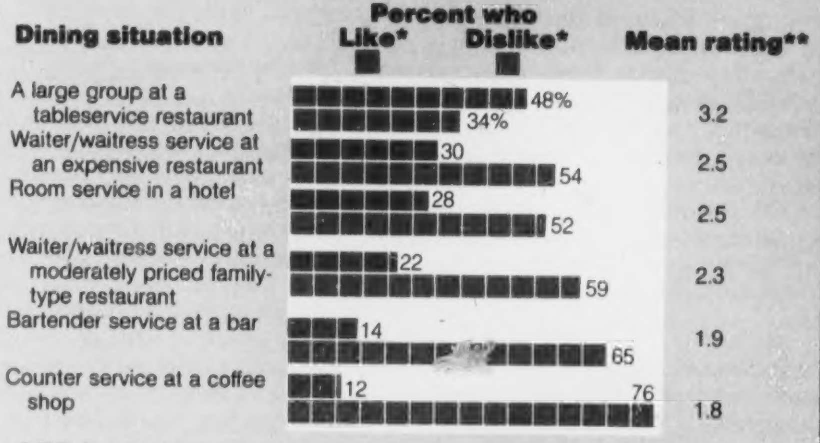


* "Agree" = 4 and 5 on a five-point scale. "Disagree" = 1 and 2 on a five-point scale.
** Mean scores based on a scale of 1 to 5 where 4 and 5 indicate agreement and 1 and 2 indicate disagreement.

Source: National Restaurant Association Gallup Survey, April 1987

Consumer attitudes toward specific dining situations where a service charge is added to a bill

More consumers like a service charge when dining in a large group at a tableservice restaurant, but not when having counter service at a coffee shop.



* "Like" = 4 and 5 on a five-point scale. "Dislike" = 1 and 2 on a five-point scale.
** Mean scores based on a scale of 1 to 5 where 4 and 5 indicate agreement and 1 and 2 indicate disagreement.
Source: National Restaurant Association Gallup Survey, April 1987

Attitudes toward service charge vary by dining occasion

The more personal contact there is with the server, the less likely consumers are to want a service charge. Nearly one out of two consumers (48 percent) like the idea of having a service charge added to a bill instead of tipping when dining out with a large group at a tableservice restaurant. However, more than three out of four individuals (76 percent) dislike a service charge when at the counter in a coffee shop.

Also a few consumers liked a service charge system for bartender service. Only one out of 10 individuals (14 percent) prefer the automatic charge. Occasions where customers are seated at a counter or bar are frequently low-ticket occasions where the tip may well amount to more than 15 percent and where the customer may be a regular patron whose favorite item is delivered without even placing an order.

It's easy to speculate that the tip on these occasions may be a reward for something more than friendly, competent service. What comes to mind are the familiar stereotypes of the bartender who listens to everyone's hard-luck stories or the waitress who tells you to be sure to eat all your salad because it's good for you.

In sum

Results of this survey give a good indication of just how complicated the tipping versus service charge decision can be. They indicate that restaurateurs may have to be more cautious than imagined when attributing a poor tip to poor service. They also suggest that some sort of a tactful guideline might be a big help to the many customers who are uncomfortable about tipping at upscale restaurants.

Restaurateurs who plan to institute a service charge will want to evaluate their situation based on the type of establishment they operate and their customer base. They will also need to educate their customers about the meaning of a service charge and assure them that the service won't deteriorate. ❑

**Interviews were conducted by telephone with a national sample of 1,007 adults, 18 years of age and older, during the period of April 10 to April 30, 1987.*

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by Andrew J. Candido

When I first applied to Glenbrook Country Club for a grant from The Education Foundation of the National Restaurant Association, I was hired as assistant banquet manager, with plans to begin at the end of June. But in April, I was asked to assist on a part-time basis as a cook in the kitchen. From April through June, I worked as a banquet cook alongside two young chefs, both culinary school graduates. My range of duties during this period covered all kitchen areas from preparation of appetizers and salads and desserts to line-cooking duty. To be working again in a real pressure/real-life setting was a reminder of many things.

Perhaps greatest are the daily pressure or stress to produce top-quality products and the necessity of being prepared to handle the serving periods. The opportunity to redevelop the garde-manger skills either lost or forgotten over the years was a real joy, as was the opportunity to learn some new techniques used by the chefs of the operation. It was also a time to share knowledge, and I was impressed by how the two young chefs recognized that my experiences could benefit them as well.

By mid-June, I was working an average of 35 hours or more—some of the time in the kitchen; some of the time booking parties or serving as maitre d'; some of the time planning, equipping and staffing the newly completed clambake pavilion. Since the last week of June, we averaged four clambake functions per week, from very simple cookouts to elaborate lobster feasts. This entire operation was mine to run. I handled all food purchasing and preparation, staffing and execution of these affairs as well as booking most of these and future functions.

What I learned from stepping back into foodservice

This summer 21 foodservice educators were awarded work-study grants by The Educational Foundation of the National Restaurant Association to enrich and update their knowledge of the industry and increase their capacity to relate that understanding to students. Each teacher received a $2,000 grant to supplement income earned during a minimum eight-week employment period.

This final report by Andrew J. Candido, foodservice instructor at Lyman Hall High School in Wallingford, Connecticut, encapsulates the insights and ideas program participants gleaned from their experiences. Candido worked as chef/assistant banquet manager at the Glenbrook Country Club in Wolcott, Connecticut. His past experience includes cooking and baking as well as owning and managing a restaurant and catering operation.

Learning experiences

I was surprised how much food pricing had changed over the years. I realized that there were bargains to be found if one took the time to search for them. I learned that purveyors today have an attitude of "you need me"—a reversal from years ago. I found that, for most, the work ethic has become very lax; the philosophy has become "Put in my time and get out of here." I found that minimum wage is an unreality. I found that kids get ill a lot more than they used to. Most of all, I found that the majority of the guests still recognize quality foods and expect good service, which I explained to my fellow employees is the heart of any operation's success.

My basic goals for applying for the grant were simple. I wanted to refresh my skills in a real setting, both in the kitchen as well as in management. I wanted to work with young people, to watch their actions, to hear their problems and gripes, and then to be able to bring back to the classroom a greater appreciation of their side of the story as well as to formulate a better understanding of the needs of the industry's employees.

Everything I did, whether in the kitchen or any other area, was a learning experience anew. It is very easy to become isolated in the sterile classroom atmosphere and forget the day-to-day reality of operating a country club. The problem of absenteeism; the need for motivation, positive recognition and reinforcement for a job well done and so many major management skills dealing with marketing, accounting and public relations can easily be forgotten. Even the problems related to alcohol consumption and liability can be easily skirted in the classroom, but clearly not so in the workplace.

Have I gained insights by working in this position? I should say so, as all the previous testimony indicates. Each insight will be brought into my classroom, but none more so than that of the work ethic. I will emphasize that skills are valuable, but a willingness to work at the highest level of personal achievement is more important still. I will impress upon my students that they must develop a positive work ethic, beginning with being at work on time and extending to very few absences. I will also discuss communication skills—most especially the need to listen to instructions, to ask questions when uncertain about directions and to help others when they have finished an assigned task. I will emphasize the essential need for teamwork and quality in the foodservice industry.

In conclusion, I encourage your continuation of the summer grant program. For those teachers who have been away from the industry a while, it will be a good refresher "course" and for the many foodservice teachers who have little or no industry background, it will be a shocking revelation about the demands and stress of operating a quality foodservice operation. ☐

Flashy

by David Slater

Bathrooms are stepping into the limelight, bringing panache, class and a sense of humor to today's stylish restaurants. Restaurants are using these once-neglected public spaces to give depth to their design theme. The extra effort is not going unnoticed by customers.

The best designed restrooms are comfortable, unconventional and entertaining. They include unexpected and often whimsical details, from elaborate murals to original artwork, piped-in music, floor-to-ceiling mirrors, antique wallpaper and color-coordinated fixtures and flowers. These designs don't come easy; they take a lot of time and money. But operators and designers agree that their efforts are going into the bottom line—and not down the drain.

An artsy retreat

The avant-garde bathrooms at The Collector, a new 74-seat art gallery/restaurant in Washington, DC, have become a "must see" for first-time visitors. "People bring friends into the restaurant and say to them, 'You've got to check out the bathrooms,'" says owner Bill Wooby.

Wooby, who formerly hung art in New York City, shouldn't be surprised that his bathrooms have turned into such an attraction. When he was developing his design, he decided to hang an 18-inch-wide strip of wallpaper across each room at standing eye level. When the strip reaches the toilet, it drops down to facilitate reading from a sitting position. On top of the strip of wallpaper, Wooby rubber-cemented magazine covers and catalog pages, which he covered with Plexiglas to prevent damage and theft.

Like any well-designed space, Wooby's bathrooms are customized and user-friendly. In the men's room, he decorated the strip with artwork, pages from antique gun catalogs, female nudes and, he says, "other things I thought men would like." In the women's room, he entertains guests with paintings of male nudes and pages from auction and jewelry catalogs.

"People really like what I've done with the bathrooms," he says proudly. "They may not be the most beautiful in town, but they're the most unusual." Wooby has noticed one drawback, however. "People stay in there longer than they should," he laughs.

An unexpected surprise

The celebrated designer David Rockwell, of New York's Haverson/Rockwell Architects, also views restrooms as "a chance to do something a little whimsical." At Twenty-Twenty (250 seats), a chic Manhattan restaurant whose owners include the pop stars Nick Ashford and Valerie Simpson, the bathrooms extend the restaurant's theme and achieve a fanciful effect by combining a number of incongruous and surprising elements.

Customers leaving the highly charged atmosphere of the Twenty-Twenty dining room to use the bathrooms do not have to worry about missing a beat. The restrooms, which feature high-tech, frosted-glass vanity tops, black sinks and fixtures and red faucets, reverberate with the sounds of piped-in live music. The theatrical and musical theme of the restaurant is also subtly echoed by the bathrooms' most striking element—antique wallpaper that looks as if it might be found in a child's nursery. The wallpaper, which is earth brown with a reddish tint, depicts animals playing musical instruments. "We get a lot of comments on our wallpaper," laughs general manager Walter Stevens. "Everyone just thinks it's darling."

Unexpected bathrooms like those at Twenty-Twenty, says Rockwell, are an example of restrooms that "give everyone something extra." And if bathroom design is indeed getting a little looser, he thinks that is a good sign. "Bathrooms can give everyone a chance to freshen up," he says.

A problem to be solved

Interior designer Laura Gottwald, of Janusz Gottwald & Associates Architects in New York City, views restrooms as a challenge. "A bath-

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David Slater is a communications specialist at the National Restaurant Association.

room," she says, "is a problem that must be solved by everybody, even in their home. It can be solved beautifully and creatively." Gottwald takes her bathrooms seriously, but that doesn't keep her from having fun with her designs.

At New York City's Zig Zag Bar and Grill (56 seats), an innovatively designed neighborhood bar that uses lots of mirrors and natural materials, the men's and women's rooms are drastically different. The owners, Stanley, Allen and Dana Bernstein, seem to have taken to heart the nursery rhyme that asks, "What are little boys and girls made of?"

The Bernsteins took a practical approach to their men's room. "It had to be indestructible, with no art on the walls," says Laura Gottwald. On the other hand, she adds, the owners wanted a women's room that would be "deluxe, so women would want to come back."

Gottwald responded with a luxurious women's room that echoes the bar's interior. The room features mahogany stalls, a slate floor and marble wainscotting. The walls are mirrored to the ceiling, presenting infinite reflections that have been compared to the mirrors at a carnival fun house. As a special touch, an oversized antique white sink is embellished with fresh flowers. "It's the only place in the house that has fresh flowers," notes the designer.

In the men's room, Gottwald decided to play with the idea of minimalistic 'prison' design. Like the women's room, the room is mirrored, with a slate floor and mahogany stalls. But Gottwald complements these features with a stark, stainless steel custom counter and protected lighting similar to that used on a construction site. And if the mirrors aren't enough to befuddle customers, the toilet has been installed at an angle to reflect the bar's zig zag motif.

Perhaps because they are not given the opportunity to venture into the women's room, Zig Zag's male customers don't seem to be offended by the inequities of the bathroom design. As owner Allen Bernstein explains, "The women love their bathroom. They wish they had one like it at home. But," he adds, "the men don't really seem to notice theirs."

Flushes

Bathrooms with style

Inspiring powder rooms

The restaurants operated by Chicago's Lettuce Entertain You, such as Ed Debevic's and Cafe Ba-Ba-Reeba, are known for their thoroughly conceived designs. The company's newest Italian restaurant, the trendy Scoozi! (312 seats), is no exception. From the lobby to the lavatories, Scoozi! overwhelms its visitors with its design.

Perhaps most striking is the innovative women's room, which is broken down into a latticework waiting area and four individual powder rooms—each with a powerful mood. The intention, says Trudy Glossberg, Scoozi!'s bathroom designer, is to make the customer "feel like she is a guest in somebody's home."

Glossberg kept the bathroom's design costs to a minimum by purchasing oddly colored tile remnants that, ironically, turned out to be the cornerstone of the bathroom design. Each of the four rooms has a unique color scheme that takes its tone from the tiles and is carried out by coordinated accessories and antique mirrors and sconces.

Glossberg believes that a bathroom should be a continuation of the restaurant. Because murals are visually prominent in Scoozi!'s dining area, Glossberg conceived murals for the bathroom that would fit in with each space's color scheme. The murals, executed by the firm Made In Chicago, include a Matisse scene in the pink and burgundy room, Monet flowers in the yellow room, a zebra print in the black-and-white room and a Rousseau-like jungle scene in the green room.

The men's room at Scoozi! is not broken down into individual spaces. It does, however, contain a likeness of a mural that Glossberg believes was originally painted by an obscure artist on the wall of an Italian palazzo. In what seems to be a common men's room theme, the mural depicts a woman lounging nude near the water. ❑

EMPLOYEE DINING

'A good way to take care of good people'

By Kathy Boyle

It's goodbye to basement cafeterias and hello to upbeat dining in the nine to five work world. New employee dining experiences—usually at discount prices—have become a prized fringe benefit and productivity booster.

What this means is that more employees are eating at their workplaces rather than going out. In fact, the employee dining segment has doubled in growth over the past 10 years and is today a $6 billion business. The impetus behind this expansion is the belief that employee dining rooms can boost employee productivity.

As the competition for good employees gets more intense, so is the competition in employee foodservice. A growing number of companies have upscaled their dining programs with new initiatives in food, design and décor.

Out of the dungeon

To encourage employees to eat in, there has been a general trend toward upscaling employee dining facilities. Menus have become more tempting,

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and the environment has become more inviting. No longer are dining facilities tucked into the less expensive spaces; they are being highlighted. As corporations build new buildings, employee dining rooms are being etched into the architectural design from the early stages. Innovative concepts in seating arrangement, salad bar design and self-serve island stationing, along with advancements in kitchen technology, are considered as carefully as employee workspaces. Companies are also aggressively merchandising their offerings, which include such popular foods as pizza and seasonal or weekly themes and festivals, such as Oktoberfests and Fourth of July picnics.

At the Manufacturers Hanover Trust operations center in New York City, where employees work around-the-clock processing checks from every Manufacturers Hanover Trust bank in the city, the cafeteria is a far cry from its predecessor. It used to be that the facility, located in the basement, had the image of a dark dungeon. But a year and a half ago, Manufacturers Hanover Trust changed that with a $2.3 million renovation. The operations center today serves 6,000 diners every 24 hours in an area where 850 people can be seated at one time.

To create a more relaxing environment, the 26,500-square-foot space was divided into three separate areas with color schemes of muted blues, beige, and black and white. To solve the lighting problem of the basement location, architects designed back wall and ceiling lighting that was bright but not glaring. Other subtle touches, such as overhead silk-screened banners which change with the season, also lightened the atmosphere.

"Our objective was to create a more airy feeling with better ambiance and a quieter setting," says Lorand E. Forrest, vice president, Manufacturers Hanover Trust. "I think we really did that. The new ceilings are more sound-absorbing so the dining room is quieted, and the space is airy and fresh looking." Forrest adds that the reason for the makeover was not to increase sales but to make employees happy and keep them at work. Forrest believes the objective has been met with improved morale and increased productivity.

When Codex Co., a wholly owned subsidiary of Motorola specializing in data networking, began plans for its new corporate headquarters in Canton, Massachusetts, the details for employee dining were considered as carefully as workspaces. The dining facilities, planned to serve 500 employees, were designed to include intimate seating as well as a large (148-seat) atrium-capped dining hall. In addition, there are five private executive dining rooms for gatherings of two to 50 people and an outside area for cookouts. Individual seating nooks for 12 to 16 people are built into the building's curved, windowed outer wall. To complement the surrounding bucolic landscape—complete with ponds, stables and jogging paths—designers chose granite-topped tables and black wooden armchairs. All the lighting is indirect and consists of recessed, overhead incandescent or fluorescent spots which can be adjusted with switches.

Not only is the setting beautiful, but lunch prices are also subsidized as an extra incentive to eat in. (Prices typically average 75 cents for breakfast, $2.04 for lunch and 80 cents for an afternoon snack.) Fred J. Pickering, business manager for corporate services at Codex, explains, "Codex views it as a good way to take care of good people."

A more tempting menu

Fresh food, self-service and the addition of popular foods (such as pizza) and takeout programs lead the list of menu innovations. Displays and preparation of fresh food before the customer are characteristic of the trend. This is most often accomplished by a food court approach where customers can choose from stations, such as a deli station, a grill station or a salad bar. "In our renovations we are doing more food courts and building in as much self-service as possible," says Joseph J. Guzzo, a division vice president of business foodservice for the Marriott Corporation, headquartered in Bethesda, Maryland. "The hot entree approach is not as popular as it used to be. There are still some cafeteria lines, but the trend is toward serving more popular foods and serving them fresh."

Manufacturers Hanover Trust is a good example of a company that uses the scrambled serving approach very well. Says Forrest, "It is a shopping center system where customers can move at their own pace to the items they want." There is a grill area for hamburgers and omelets; a refrigerated grocery display case area set up like a supermarket; a hot food line with four or five entrees daily and special international entrees to break the monotony; a carved sandwich area; a barbecue area for fresh barbecued beef, chicken and spare ribs; a premade salad and dessert station; a do-it-yourself ice cream station; a make-your-own salad bar; a fruit and bakery station; and, finally, a hot and cold beverage station.

For the second and third shifts, the Manufacturers Hanover Trust operations center cafeteria uses an adjacent minicafeteria with its own modified scatter system servery and grill, a cold food selection, an ice cream and yogurt station, and a hot and cold beverage station. Every day the cafeteria serves 2,000 people at breakfast, 2,500 people at lunch, 1,000 people at dinner and 800 people later at night.

This same approach is used at Codex Co. where menu design centers around open cooking stations. Fresh-baked pizza, spinach and mushroom salads, homemade chowders and Italian antipasto are served daily. And, to add a homey feeling for the Codex executives who travel extensively, the cafeteria tries to offer hearty meat and potato offerings, such as chili, beef stew and meatball subs, at other stations. In addition, Codex has a gelato machine and an espresso machine which serves cappuccino.

Self-service booms

At Eastman Kodak, which is one of the few remaining company-operated employee foodservice programs, self-service is the rule at the company's 56 different dining locations in Rochester, New York. "Wherever we can, we put out the entrees, like pizza or hot dogs, for the customers to serve themselves," says William C. Lembach, director of foodservice. "We used to grill hot dogs and hamburgers, and, on a normal day, we may have sold 10 to 15 hot dogs. But when we put them out self-serve-style in a pan, our sales went up to 200 a day!"

Lembach believes the reason sales increased so much is that the hot dogs are more noticeable, the line seems to move faster and the opportunity to add fixings gives customers a feeling of value for their money. Lembach adds that "Anything we can figure out how to self-serve, we will." The list includes chicken wings at 16 cents an ounce, french fries and fried fish. "I think customers think they are getting more (when they serve themselves)," notes Lembach. But that's not the case, he says: "We portion french fries by the size of the french fry boat we offer them...and the haddock is already portioned by the size of the fillet—although customers can pick out the pieces they want."

Take-home foods grow in popularity

This month (October) Eastman Kodak is introducing a portable cart operation at its corporate headquarters. The cart, with a nice-looking canopy, will bring food to those employees who do not want to leave their desks. "We will offer coffee, donuts, danish and juices in the morning. At noon we will change over to a salad bar with prepared salads and a hot well for self-service soup. In the evening, there will be takeout bakery and pastry items."

Self-serve pizza is another fast-growing product at employee dining rooms—not only for at-work consumption but also for take-home purchases. When Serv-Rite Food Service in Pittsford, New York, surveyed customers at three of its operations, the number one product desired was pizza-by-the-slice, says Harris "Bud" Rusitzky, president.

Lembach at Eastman Kodak agreees: "I was tired of looking out the window and seeing pizza delivery trucks drive up to our plant. Se we went to work to develop a really quality pizza." The result is an excellent pizza business for Eastman Kodak. Pizza-by-the-slice is offered at meals, and, recently, full-sheet pizzas have become available for takeout. "We probably sell 35 to 50 take-home pizzas every day but toward the end of the week the business really starts picking up to 100 pizzas or more."

> "I was tired of looking out the window and seeing pizza delivery trucks drive up to our plant. So we went to work to develop a really quality pizza."

Other companies have also found a growing market for late afternoon takeout foods. Guzzo of Marriott says his company sells dinner entrees between 4:00 and 5:00 p.m., depending on the market. For example, if employees have to ride the subway or bus home, they do not want to carry hot dinner entrees. In other locations Marriott uses a grocery store approach "where employees can buy a case of hamburgers for a home cookout or buy one of the company's 3-foot hoagies to take home." Also, Marriott is introducing a new bakery concept, J.W. & Co. Bakers, where cookies, cinnamon rolls and other freshly baked items are offered during meals and in the early evening as employees leave work.

Like Marriott, Eastman Kodak is experimenting with a retail bakery. "Every Friday we offer pies to take home," says Lembach. "On a typical Friday afternoon we sell 500." As a complement to the bakery, Eastman Kodak plans to sell take-home entrees by the middle of next year when it opens its new kitchen facility.

> "Employees can buy a case of hamburgers for a home cookout or buy one of the company's 3-foot hoagies to take home."

The takeout concept has gone even further in some companies. At the Government Services Building in Boston, managed by daka, Inc. of Wakefield, Massachusetts, the dining facility includes the equivalent of a gourmet, upscale grocery store "on the order of a J. Bildner's & Sons," notes Allen Maxwell, executive vice president of daka, Inc.

The area is open throughout lunch and into the afternoon, set within the regular food court area. The deli, which fixes sandwiches at lunch, offers meats and cheeses by the pound for take-home consumption as well. "In the market area employees can choose from boxes of gourmet candy, a dozen fresh rolls, a head of lettuce, a quart of milk, take-home frozen dinners as well as cat food or dog food. This type of area saves the customer that extra stop on the way home from work," explains Maxwell. In fact, the area is catching on so well that daka, Inc. plans to add this service in other locations.

Health and wellness entrees made available

A large number of employee dining programs promote healthful food or an overall wellness theme. Sometimes these programs are complemented by company exercise programs. For example, Codex Co. allows Weight Watchers to hold sessions on-site at Codex. And, it offers aerobics classes during lunch or at 5 p.m.

ARA Services, which operates 480 business dining locations, provides a "Treat Yourself Right" program, now in its second year. "It is a major program," says John Gribbin, senior public affairs specialist for ARA. On the serving line various food items are highlighted with "Treat Yourself Right" signage and color photos, listing sodium, calories and cholesterol contents. In addition, says Gribbin, the program is enhanced by periodic leaflets on nutrition or a luncheon speaker.

At another one of daka, Inc.'s 350 accounts, the company offers a health bar, completely separate from the salad bar, and an adjacent cheese and fruit board. As with the salad bar, employees can choose from alfalfa sprouts, granola, a variety of raw fruits and vegetables, tofu and other healthful items. In addition, near the cash register area there is a display rack, similar to the magazine section at the grocery store, called "Food Expressions," which is filled with handouts about nutrition, recipe cards, and announcements about related company events, such as a blood drive.

Although most foodservice contractors acknowledge that the interest in nutrition and wellness is growing, they caution that it is not for everyone. Says Rusitzky, "The biggest sellers are still french fries, ice cream and burgers."

Commissaries at leased office buildings

Some companies face unique employee dining decisions when they lease office space. Rather than go to the terrific expense of putting in vented kitchens, they install a commissary kitchen. In the case of Blue Cross/Blue Shield in Baltimore, Maryland, for example, employees do not even realize their cafeteria does not have a kitchen. "At our Timonium #1 building we are in a five-year leased space," explains Jean DeVito, foodservice coordinator, "but we have 1,050 people in the building and knew we wanted to provide food service for them." The result is a 300-seat cafeteria where hot food and breads are transported by trucks and held until serving time.

"There is a preparation area where foodservice employees can put together salads for single-serving sale," says DeVito. "We also have a fruit and yogurt bar as well as a station for deli sandwiches. There is a wok station and omelet station, but there is no grill because that would have required ventilation."

Who are the segment competitors?

Employee dining is a field dominated by contract feeders, but a few companies still go it alone. Eastman Kodak in Rochester, New York, serves 48,000 employees in 56 different dining areas in Rochester. Eastman Kodak is the largest self-operated foodservice operation in the business and industry category. It operates fullservice restaurants, executive dining facilities and vending areas. Its two kitchens will shortly be converted to one very modern facility. "There are only about eight self-operated employee dining facilities left," says William C. Lembach, the company's director of foodservice.

Most employee dining facilities, however, are contracted to large institutional foodservice companies which are often more equipped to handle the volume required. In recent years there have been a number of acquisitions and mergers among these large companies, but many smaller institutional foodservice companies continue to thrive.

In recent years other types of operators have begun pushing into the rapidly growing contract food business—most notably some fast food operators and specialized restaurant companies. In June 1985, for example, Burger King opened a unit at the Wang Laboratories corporate headquarters in Lowell, Massachusetts, where it continues to serve breakfast, lunch and dinner to the 6,000 workers in the massive Wang complex.

Other restaurant companies are also making inroads. Lettuce Entertain You Enterprises in Chicago, known for running such eclectic eateries as Ed Debevics, Scoozi! and Avanzare, now runs the foodservice operations at One Financial Place, a 40-story, multi-tenant office building in Chicago. Opened in 1986 and known as the Savoy Bar and Grill, the self-service cafeteria has eight hot and cold food stations and 375 seats scattered throughout several dining rooms.

The approach is to provide a restaurant-like environment in the building's new cafeteria. "Using the familiar scatter system, the Savoy features a self-serve seafood and chili bar, along with Cajun and Mexican entrees at another area.

Executive dining

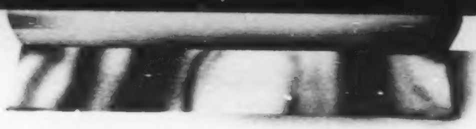
Although most contractors have not seen the dramatic increase in executive dining that they expected would occur from the new tax law that makes meals eaten on-site in executive dining rooms totally deductible versus 80 percent for those eaten in restaurants, they still feel there may be potential for growth in this specialized segment. A number of companies find that the executive dining rooms are not used on a consistent basis, but toward the end-of-the-month or the end-of-a-quarter there is increased activity.

Others believe the price break and time saved will be incentives for more frequent eating-in at executive dining facilities. At Codex, for example, Pickering explains that the tab for eating lunch at the executive dining room—including appetizer, entree, dessert and coffee, probably runs $12.00—a lot less than comparable restaurants nearby. "And, executives do not have to contend with traffic, tight schedules and crowds," notes Pickering.

Not only executives can take advantage of these facilities. Codex allows all company employees to reserve any of its five private executive dining rooms, which are elegantly decorated and use fine china and silk flowers. Employees can use the room for special occasions, such as birthdays or retirement parties, but most do not. "I would say 95 percent of the usage is for business. It's the rare occasion that employees use it themselves," notes Pickering. Codex does allow some non-profit groups in the area to use the facility for meetings or fundraisers. Last year the Boston Symphony held a reception and sit-down dinner fundraiser for 300 at Codex.

In sum

As the competition for good employees gets more intense, so is the competition in employee foodservice. In order to keep employees happy and on-the-job, companies have moved to enliven decor and provide more interesting food programs, including take-out and the self-serving of foods previously not considered self-serve items, as well as cart deliveries and cookouts held at picnic benches outside the cafeteria. ❑



MARKETING NUTRITION THROUGH MENUS

The quintessential diet plate—hamburger patty, cottage cheese, sliced tomato and hard-boiled egg is on its way to becoming a menu dinosaur. Consumer interest in health and nutrition has motivated creative restaurateurs to find innovative ways to capture this market. Operators are not only becoming more adventurous in developing healthy menu items, they are also doing a better job of marketing them. Entries in the National Restaurant Association's 24th Annual Great Menu Contest reflect this trend.

by Claire Regan, R.D.

According to a 1986 association survey, 23 percent of restaurant operators feature health and nutrition promotions. Great Menu Contest judge and menu adviser John Gruner, president of Gruner, Prussner & Lloyd Restaurant Solutions in Kentwood, Michigan, thinks more operators should follow the trend. "It's unfortunate more restaurateurs aren't developing healthful menu items. The consumers' awareness level in this area is certainly heightened. Those operators ignoring the trend are missing a marketing opportunity," Gruner laments.

Options

Operators who are addressing the market have various options in menuing nutritious items. The National Restaurant Association's survey of operators shows that among those who do promote healthful menu items, 9 percent use separate menus, 37 percent use special sections, 12 percent rely on waitstaff presentation and 10 percent denote items using a special symbol. There is no one best marketing tool, says Gruner. "It depends on the customers. Certain groups will be drawn to a special section. The yuppies, for instance, will respond to a 'Fitness Food' heading, whereas elderly clientele may be more responsive to low-fat alternatives offered as part of the general entree list."

Houlihan's, a chain of 55 restaurants run by Gilbert/Robinson, Inc., for example, has shifted from a sepa-

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rate "Light Menu" with calorie information to a special section, "Light & Healthy Specialties," on the regular menu. The calorie counts have been dropped. According to a Houlihan's spokesperson, the revised approach is more effective because it meets consumers' expectations of the Houlihan's concept.

Separate menus

Other operators prefer separate menus for their light and healthy offerings. Mark Treelisky, director of food and beverage operations at Chicago's O'Hare Hilton, for example, uses a separate menu to present "Fitness First" to patrons in his 200-seat coffee shop. Treelisky believes a separate menu is more flexible and increases visibility and awareness of the program. The previous coffee shop menu had "Fitness First" items dispersed among the regular listings, accompanied by a symbol indicative of their healthful status. "I think orders for 'Fitness First' items were lower when presented that way, scattered through a variety of options," Treelisky explains. "Now they run as high as 20 percent of total orders."

A potential drawback to separate menus is they may not always be presented during peak periods when the host/hostess and waitstaff are pressed for time. Yet, Treelisky insists that this is overcome by storing both the regular and "Fitness First" menus in the same box, so the hostess always provides patrons with both menus. John Gruner cites another disadvantage of separate, healthful menus: "They can single people out and make them feel self-conscious." He warns that care should be taken to avoid this.

Special sections

Some operators maintain that grouping the nutritious offerings together under one head on the regular menu tends to make the choice obvious without singling people out.

"On the Light Side" is featured on the regular menu at Finley's (200 seats; midscale, casual family dining). It appears on a foldover flap, extending the right-hand side of the menu. "The flap creatively lent itself to 'On the Light Side,'" explains Caroline Cook, director of marketing for Universal Restaurants, Inc. of Grand Rapids, Michigan, which operates three Finley's units. "It not only highlights the lighter options, but it also leaves the menu 'hot spots' open for higher grossing items like steak and prime rib."

At Rio's, a 175-seat restaurant in Rochester, New York, the menu features a "Wholesome Fine Dining" section on the menu. It is highlighted by using a replaceable insert printed in a color that is darker yet complementary to the rest of the menu. "We wanted to highlight 'Wholesome Fine Dining' and let our patrons know we were committed to it," says manager Paul Ryan. "The concept has been popular, and our marketing has generated a lot of interest and curiosity since people who order from this section often don't want extras like appetizers," Ryan explains. Only entrees are featured in "Wholesome Fine Dining." Healthful appetizers, soups and salads are included in the regular menu and are identified by an asterisk.

Invitations to ask

Not all restaurateurs experience enough demand for nutritious items to warrant a special menu section. Some of those who want to accommodate patrons' dietary restrictions or concerns achieve this by printing a statement on the menu that encourages special requests, such as food cooked without salt or served without sauce. The Chestnut Street Grill (125 seats; Chicago), which features grilled fish, includes a notice that grilled foods can be prepared according to its "spa method"—that is, without butter or added salt. Manager Robin Ross rationalizes the approach. "We didn't want the 'spa' concept to take over the restaurant, but we did want to give patrons a choice," he says.

The menu at The Bay Tower Room (150 seats, Boston), on the other hand, notes that "Entrees may be prepared without sauce and, where appropriate, may be broiled, poached or baked." Jeff Dizhek, food and beverage director at Inncorp Management Corporation, which until recently managed The Bay Tower Room, thinks this approach may be too subtle. He believes the majority of patrons feel uncomfortable making special requests, especially in an elaborate setting such as The Bay Tower Room. "I think only about 20 percent of the dining public feel comfortable about asking for sauces on the side or foods cooked without salt. And it is probably the frequent diner that is the least intimidated," he figures.

Alexa Bosshardt, R.D., director of the culinary apprenticeship program at New Orleans' Delgado Community College, also warns about general statements regarding cooking without salt and accommodating special dietary requests. "The kitchen staff has to be educated on how to respond properly to such requests. It's not just a matter of omitting the salt or sauce. The food has to be palatable and meet the expectations of both the operator and patron," she recommends.

Established programs

Another way to market healthful menu items in foodservice is to work with an organization recognized by the public for its credible health promotion efforts. According to the association survey, 24 percent of those featuring nutritious menu items are using a plan endorsed by a medical or health group. The American Heart Association (AHA) sponsors programs through national headquarters and local chapters.

Robert Palmgren, executive chef and co-owner of Winds (285 seats; Lenexa, Kansas), worked with the Kansas City chapter of the Heart Association to develop "Creative Cuisine" for his menu, which won the grand prize in the 24th Annual Great Menu Contest. Winds' "Creative Cuisine" selections were reviewed by a dietitian at the local Heart Association. They appear in their own section and bear the AHA heart and torch logo. Palmgren reports "Creative Cuisine" entrees account for about 7 to 8 percent of orders. "Going with a recognized program is like a guarantee to the public, and it makes me feel better about the menu," Palmgren says.

Pittsburgh-based Eat 'n Park Restaurants, Inc. (46 units; family-style) features two Weight Watchers entrees in its "Light 'n Delightful" section. The products are purchased from Weight Watchers' foodservice line and comply with the popular weight-reduction program. But, according to Ronald Champe, Eat 'n Park's director of purchasing and quality assurance, the Weight Watchers entrees have not been particularly advantageous. "Our own entrees developed for 'Light 'n Delightful' are more popular than the Weight Watchers choices. Although we currently menu two Weight Watchers products, we plan to keep only one in the future," Champe says.

Leo Goto, operating partner and general manager of the Wellshire Inn (600 seats; Denver, Colorado), has had more success with a local wellness program, HealthMark Centers, Inc., administered like the one sponsored by the American Heart Association. The HealthMark Centers' program, which helps patrons identify healthful choices, now involves 60 restaurants in the Denver area. Goto summarizes the advantages of using the HealthMark program. "It has great local recognition and receives a great deal of publicity by the local press. We've received exceptional comments about the program. People even request it for banquets," he says. Goto estimates that 25 to 30 percent of his orders are for HealthMark-approved items. He notes that they are more popular at breakfast and lunch than at dinner.

Nutrition information

Should light and healthy menu items be accompanied by nutritional information (i.e., amount of calories, fat, sodium, etc.) on the menu? Not necessarily. In the National Restaurant Association's survey, few operators report having printed information on their menus. John Gruner views it as a marketing opportunity—if patrons are looking for it. "Nutrition information on the menu can be advantageous, but it shouldn't end up looking like a medical dictionary," he warns.

The menu for Seymour Johnson Air Force Base Officers' Open Mess (150 seats; Goldsboro, North Carolina) features a section titled "300 Club"—where all the listed entrees are less than 300 calories. "We decided to provide information on calories since our patrons are conscious of it, and they can relate to it," explains manager Sergeant Fred McKenney. "Using the 'less than' approach is advantageous because we don't have to be exact. And, we don't have other data (sodium, fat, etc.) because we didn't want our menu to look like a hospital menu."

Others feel nutrition information on menus adds meaningless clutter. "The HealthMark program emphasizes healthful choices, not calories," says Susan Stevens, R.D., director of nutrition for HealthMark Centers, Inc. "We don't encourage listing nutrition information. It clutters the menu, plus it's not always accurate."

Promotions

Operators who have successfully menued nutritious items in-house are making efforts to let patrons know about them. Leo Goto, for example, is planning a direct mail campaign to promote the Wellshire Inn's participation in the HealthMark program, and Mark Treelisky cooperated with the Chicago Heart Association in sponsoring a walkathon and tasting of Hilton's "Fitness First" foods. "It not only increased traffic in the coffee shop (where "Fitness First" is offered), but it also increased traffic on the lower level (of the hotel) where my pub and Mexican and fast food outlets operate," he boasts. ❑

Working with dietitians

Dietitians and nutritionists certainly are no replacement for professional chefs. But they can complement your professional staff. As experts in the field of nutrition and food composition, dietitians and nutritionists can translate seemingly confusing medical jargon or dietary restrictions into realistic terms for foodservice application. They can determine the potential for promotion of particular foods as nutritious, light or healthy and work with chefs and cooks in recipe modification and development. Calculation of the nutritive content is another function dietitians perform with ease. They also can familiarize the waitstaff with a healthful promotion once it is ready to be implemented.

Who are dietitians and nutritionists?

Dietitians and nutritionists are experts in the field of food and nutritional science. Their educational background includes at least four years of specialized study at an accredited college or university, and most nutritionists have a graduate degree as well. When a nutritionist or dietitian is designated a registered dietitian (R.D.), the credential signifies compliance with the educational standards of the American Dietetic Association. (Beware of self-made "nutritionists" or those who lack adequate academic preparation. Inconsistency in state licensure laws has allowed unqualified individuals to label themselves "nutritionists" and engage in practice. Rather than gaining a solid scientific background from an accredited college, there are nutritionists who have purchased doctorate degrees from unaccredited diploma mills, requiring little or no course-work.)

How to find them

Dietitians and nutritionists practice in a variety of settings. Hospitals are one traditional employer. Dietitians involved in foodservice administration at your local hospital may be interested in part-time consulting work. Many nutritionists and dietitians now work in private practice, independent of hospitals or management corporations. These practitioners are in the consulting business and are available for hire. The cost for consultations varies, but generally ranges between $20 and $100. Some dietitians work on a contractual rather than hourly basis, especially when presenting workshops or seminars.

For a list of consulting dietitians in your area contact the American Dietetic Association in Chicago at (312) 899-0040.

Another potential source of consulting dietitians is food distributors. Alexa Bosshardt, R.D., now director of the culinary apprenticeship program at Louisiana's Delgado Community College, worked with a number of Florida restaurants when she was employed as a nutrition-marketing specialist at Plantation-Sysco in Miami. According to the International Foodservice Distributors Association, "Having a staff nutrition-marketing specialist is not uncommon among the more enlightened or progressive distributors."

Successful liaisons

Many restaurateurs and chefs have already become involved with dietitians, such as chef Seppi Renggli of the Four Seasons in New York City; Alan Roberts, executive chef of the North Lake Hilton in Marietta, Georgia; and the chefs of the Inter-Continental Hotels.

Through Columbia University's Institute for Human Nutrition in New York City, Renggli found Joyce Leung, a dietitian who comes from a family involved in the restaurant business. Leung set the nutritional criteria, and Renggli developed the recipes. "I work out a meal and send it to Joyce for nutrient analysis and she returns it with suggestions—to add lentils or dried beans to reduce the fat, for instance," explains Renggli.

Alan Roberts, executive chef of the North Lake Hilton in Marietta, Georgia, took a different approach to learning about nutrition. Roberts took a course taught by a registered dietitian through the Georgia chapter of the American Culinary Federation (ACF). The 16-hour course was a requirement for ACF executive chef certification. Chris Rosenbloom, R.D. and course instructor, stressed basic nutrition and menu modification. And the Inter-Continental Hotels brought a nutritionist to its offices to give a workshop for its chefs.

BOARDROOM

Directors convene in Washington

The National Restaurant Association's Board of Directors held its fall meeting, September 12–14, in Washington, DC, in conjunction with the association's third annual Public Affairs Conference. The following resolutions came out of the meeting:

☐ Negotiations were approved for the purchase of a new building for the association's headquarters. The building under negotiation is located in the heart of Washington's business district. Association staff will occupy more than one-third of the building; the remaining space will be rented.

☐ The board approved proposals for joint membership from two state restaurant associations: the Hawaii Restaurant Association and the Maryland Restaurant Association. The joint memberships, slated to go into effect January 1, 1988, will add approximately 400 members to the national association.

☐ The State Relations Committee passed a motion calling for increased association involvement with Second Harvest, a nationwide network of food banks dedicated to reducing hunger and minimizing food waste in America. Association staff will be working with the charity group to develop an appropriate program.

☐ The association's PAC set its fundraising goal at $400,000, doubling the previous goal.

☐ The fundraising arm of The Political Education Committee (PEC) has changed its name to the Congressional Leadership Forum. Funds from the forum, raised through corporate solicitations, will go toward political education events.

☐ The Board directed staff to develop a program to educate press and the public about the adverse effects of legislation before Congress which would mandate employee health benefits. The program will focus on the costly nature of such legislation and the threat it poses to the viability of many firms and to job availability.

☐ The 1988 National Restaurant Association, Hotel-Motel Show will be held May 21-25, 1988.

U.S. Culinary Team brings home the bronze

The 1988 U.S. Culinary Team finished third out of 14 competing countries at the World Culinary Arts Festival, held in Vancouver, British Columbia, Canada in July.

The U.S. Team won six gold medals and one silver medal in the competition, including a gold medal in the hot food category. The dishes which earned the U.S. Team honors were *Hot Smoked Coho Salmon Northwest* and *Stuffed Veal Loin Mark Twain.*

The veal dish featured veal loins stufed with sweetbread and wrapped with veal flank steak. The recipe for the salmon is reprinted in this column.

Competing in the festival's hot and cold competitions were regional team members Siegfried Eisenberger (Opryland Hotel; Nashville, Tennessee), Mike Russell (Travis Pointe Country Club; Ann Arbor, Michigan), David Kellaway (Culinary Institute of America; Hyde Park, New York) and Rudolph Spekamp (Rudy's 2900; Finksburg, Maryland).

Individual gold medals in the pastry category went to team captain Eisenberger, Stacy Rodin of the Palace Hotel in Philadelphia and Ruben Foster of the Helmsley Palace in New York City.

Singapore placed first at the festival, and Canada took second-place honors.

HOT SMOKED COHO NORTHWEST

Serves 24

Ingredients:
10 lbs. coho salmon
3 cups hickory chips
3 sq. ft. aluminum foil
1 ½ lbs. brown lentils
1 yellow onion, small
8 oz. red lentils
1 cup apple juice
1 cup cream
6 tomatoes
24 puff pastry fleurons
1 lb. butter
1 bunch scallions
10 oz. Beurre Blanc
½ cup Chablis
2 cups fish stock
4 Tbs. lemon juice
Seasonings to taste

Method:
Filet salmon and remove bones. Cut into 24 slices and start fish stock with bones and trimmings.

Place soaked hickory chips inside 6-inch hotel pan. Cover with aluminum foil and place 2-inch perforated hotel pan on top. Put seasoned salmon into pan and cover with foil, sealing very closely.

Saute chopped onions; add soaked lentils. Add apple juice and cream; let it boil. Halfway through, add red lentils.

Blanch and peel tomatoes. Bake the fleurons and make reduction for Beurre Blanc. Dice blanched tomatoes and put aside. Finish up lentils, adding seasonings and sliced scallions.

Place salmon in hotel pan on gas or high heat electric stove until a lot of smoke develops; then put into oven. Check after 8 minutes.

Saute tomatoes and keep them warm. Finish up Beurre Blanc and complete plate by placing salmon over lentils and tomatoes with fleuron. Coat salmon with Beurre Blanc.

Serve with seasonal vegetable of your choice. Suggested wine: California Chardonnay.

—Hot food entree,
1988 U.S. Culinary Olympic Team

Board hosts 229 members of Congress

National Restaurant Association President Michael J. Grisanti and the association's Board of Directors welcomed 229 U.S. senators and congressional representatives at the fifth annual *Chef d'Oeuvre* reception. Participating restaurants included Clyde's Old Ebbit Grill, Fourways, Maison Blanche, Morton's of Chicago, Prime Plus, The Prime Rib, Taverna Cretekou and The Watergate Hotel. Look for more details on *Chef d'Oeuvre* in next month's "Washington Report." *—Anne Papa*

#86

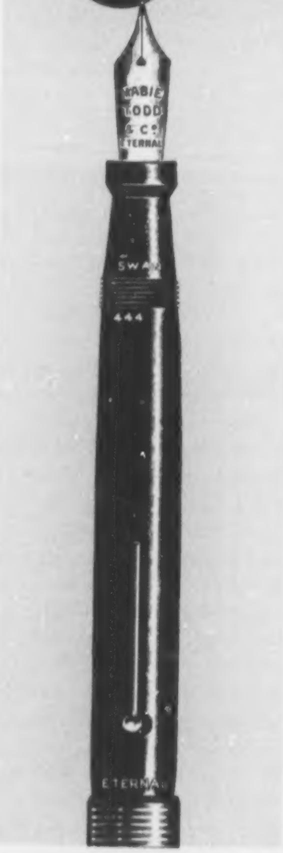
The written word!

Clear, precise and insightful written communication is both an art and a science. Memos, letters, strategic and operating plans, operations manuals and marketing plans all require extraordinary articulation to relay the meaning intended by the writer. Here are some tips about using written communication as the medium to convey your message:

1. **Pontificate elaborately.** Start every piece of written communication with a description of the philosophical and ethical basis of your communication. Then, present an entire history of the matter. Cloak both the premise and the history with righteous platitudes that will establish an emotional predisposition on the part of the reader to accept what you are writing.

2. **Write as though you are under stress.** Remember that what you are writing is the most important thing that has ever been written and that it is imperative that the reader fully absorb every word. Since that places a major responsibility on you, you should write as if your message were the most critical document the reader has ever read. If the reader can sense the urgency—and the stress—under which you have formulated the communication, then the reader will pay more attention.

3. **Write in code.** Cryptic writing heightens the impression that you are under duress, and it has the added advantage of saving the reader time. You can develop a code by eliminating most vowels from the words you use to express yourself. For example, everyone can readily understand that "Pls snd info rltv to mjr cntract nw" is the cryptic version of "Please send information relative to the major contract now."



4. **Repeat the key points for emphasis.** The reader will remember things better if you repeat them frequently. For example, you should repeat the key points in the philosophical, ethical and historical background you provide at least three times in the text. That keeps reinforcing the "feedback" of the current points you are making with the background material you have provided. If it is a directive message you are conveying, repeat the directive at least three times in sequence, as in "Take the action now! Take the action now! Take the action now!" Repetition drives the point home.

5. **Write at the second-grade level.** Remember your purpose in communicating is to be understood. Since you don't want to take any chances in this regard, it's better to write at a level of the lowest common denominator. For example, if you want the reader to call you, you can write, "Now that you've finished reading the message, put the paper down. Look at your phone. Pick up the top part from the cradle. Place it next to your ear. With the index finger of your free hand, punch the following numbers one right after the other: 123/456-7890. You do not need to punch the slash (/) or the hyphen (-)." See? There's no room for any possible misunderstanding, is there?

6. **On occasion, using big words is acceptable!** If you don't do it very often, dropping in a big word or two in your written communications builds interest. It will demonstrate that you really know what you are talking about and will help the reader expand his or her vocabulary. For example, you could say, "Upon interfacing with patrons, do so with a pleasant countenance on your visage." (Or, in keeping with point 3: "Upn intrfcng wth ptrns, hv plsnt cntnce prt of vsg." Everyone will understand that the message is, "When meeting customers, smile.")

7. **Be rude.** If you want to capture the reader's attention, you can do so by being rude and demeaning. That will guarantee the reader's attraction to your message. For example, after the "To" section in a memo, you might want to insert the word "Airhead." If it's a letter, you might want the salutation to be "Dear Stupid." Or if it's a training manual, you may want to open with "Pay attention, dummy." You can be sure that the reader will be fixated by your message at that point.

8. **Document everything.** Document and footnote any and all references you use, such as all previous correspondence on the subject, earlier versions of updated material, the source of statistics and quotations you use. This really nails everything down and makes it precise. It tells the reader that you really are an authoritative writer.

9. **Write in a hurry.** Don't give much thought to what you are writing or else you could develop self-imposed writer's block. If you think too much, you'll have to make choices about words to use, phraseology, etc. Just put "pencil to paper," so to speak, and let it flow. This technique is known as "thinking through the end of your pencil."

10. **Write when you are angry.** Anger stimulates thinking, and you'll write at your best—and quickest—when you are emotionally charged. Never let things cool off or simmer down for a day or two. If there is nothing external that causes you to be angry, then do something that will cause others to be angry at you, so you can be angry back.

Well, it's time for Fisher's Law #86: When you have the right to write (authority base), then you have to write right.

Dining habits of young adults

Nearly a decade ago, the majority of the baby boom generation was in its late teens and early 20s. Although the baby boom generation has gotten older and the number of 18 to 24-year-olds in the population is down, this age group is still a force to be reckoned with. Households headed by 18 to 24-year-olds spend 43 percent of their food budget on restaurant meals—the highest across all age groups. Moreover, the attitudes of this experimental group appear to influence the growth of new concepts.

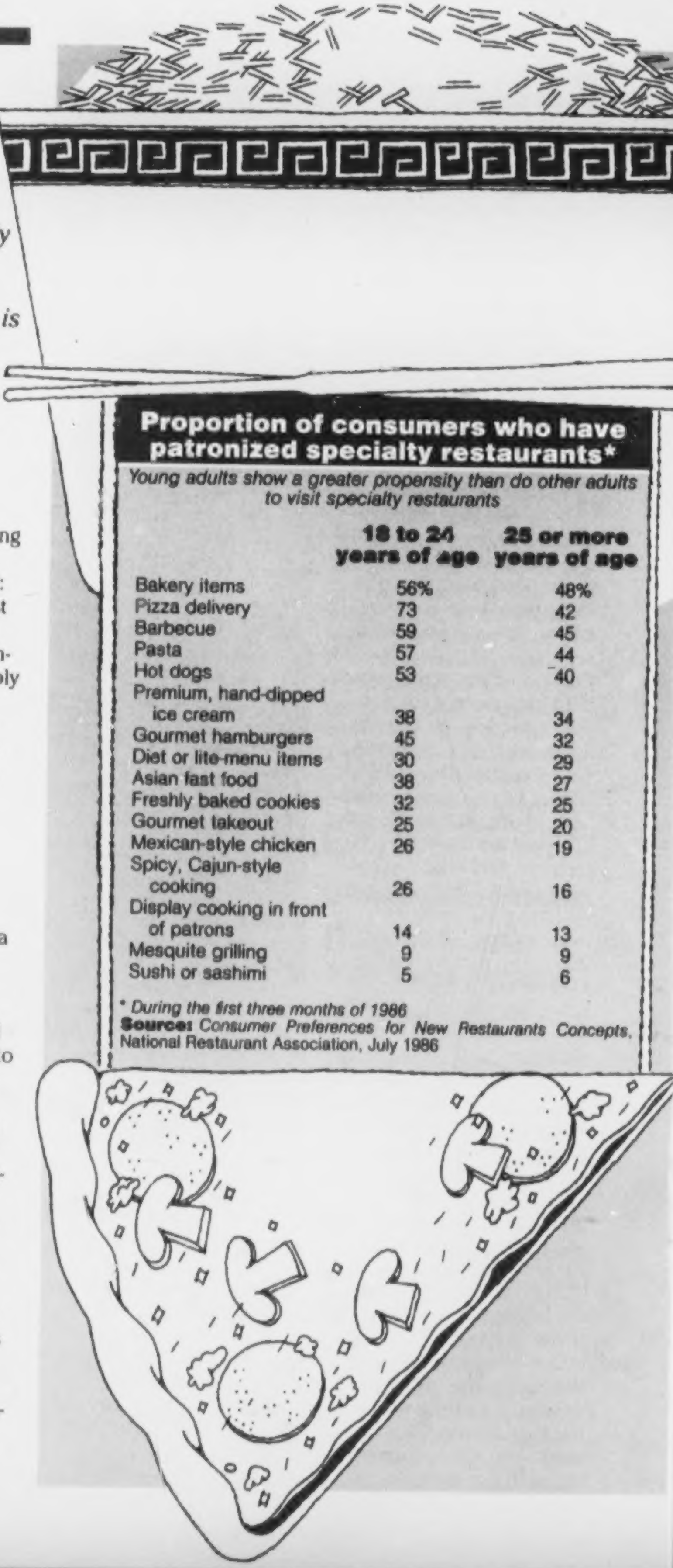
According to an exclusive National Restaurant Association CREST survey, the share of total restaurant traffic from 18 to 24-year-olds is dropping. In 1982 this age group accounted for 9.6 percent of total restaurant traffic; by 1986 its share slipped to 8.2 percent. Although they are fewer in number, young adults are a vitally important demographic group to the industry. According to the Bureau of Labor Statistics' most recent *Consumer Expenditure Survey* (1984), households headed by 18 to 24-year-olds spend, on average, 43 percent of their food budget on restaurant meals—the highest proportion across all age groups. The average for all households was 36 percent.

National Restaurant Association research also indicates that young adults dine in restaurants more frequently than do other adults. According to the *Meal Consumption Behavior Study* conducted in 1985, young adults consumed, on average, 4.8 commercially prepared meals in a week. The overall average was 3.7 meals per week. In addition, a higher proportion of 18 to 24-year-olds reported eating out one or more times a week at each meal period: Eight percent eat breakfast out, 32 percent eat lunch out and 10 percent eat dinner out. This is considerably more than adults in all other age groups—4 percent for breakfast, 20 percent for lunch and 5 percent for dinner.

Young adults are experimental

Moreover, young adults seem to be more experimental; that is, they show a greater willingness to try new concepts and foods than do older consumers. And, their attitudes toward new dining trends appear to influence the growth of new concepts

Evidence to support this contention is found in the National Restaurant Association 1985 and 1986 studies, *Consumer Preferences for New Restaurant Concepts.* According to 1986 survey results, 18 to 24-year-olds were more likely to have tried new concepts (14 of the 16 listed) than were consumers of other ages (see accompanying table). And their tastes appear to be a driving force behind the growth of spe-



Proportion of consumers who have patronized specialty restaurants*

Young adults show a greater propensity than do other adults to visit specialty restaurants

	18 to 24 years of age	25 or more years of age
Bakery items	56%	48%
Pizza delivery	73	42
Barbecue	59	45
Pasta	57	44
Hot dogs	53	40
Premium, hand-dipped ice cream	38	34
Gourmet hamburgers	45	32
Diet or lite-menu items	30	29
Asian fast food	38	27
Freshly baked cookies	32	25
Gourmet takeout	25	20
Mexican-style chicken	26	19
Spicy, Cajun-style cooking	26	16
Display cooking in front of patrons	14	13
Mesquite grilling	9	9
Sushi or sashimi	5	6

* *During the first three months of 1986*

Source: *Consumer Preferences for New Restaurants Concepts,* National Restaurant Association, July 1986

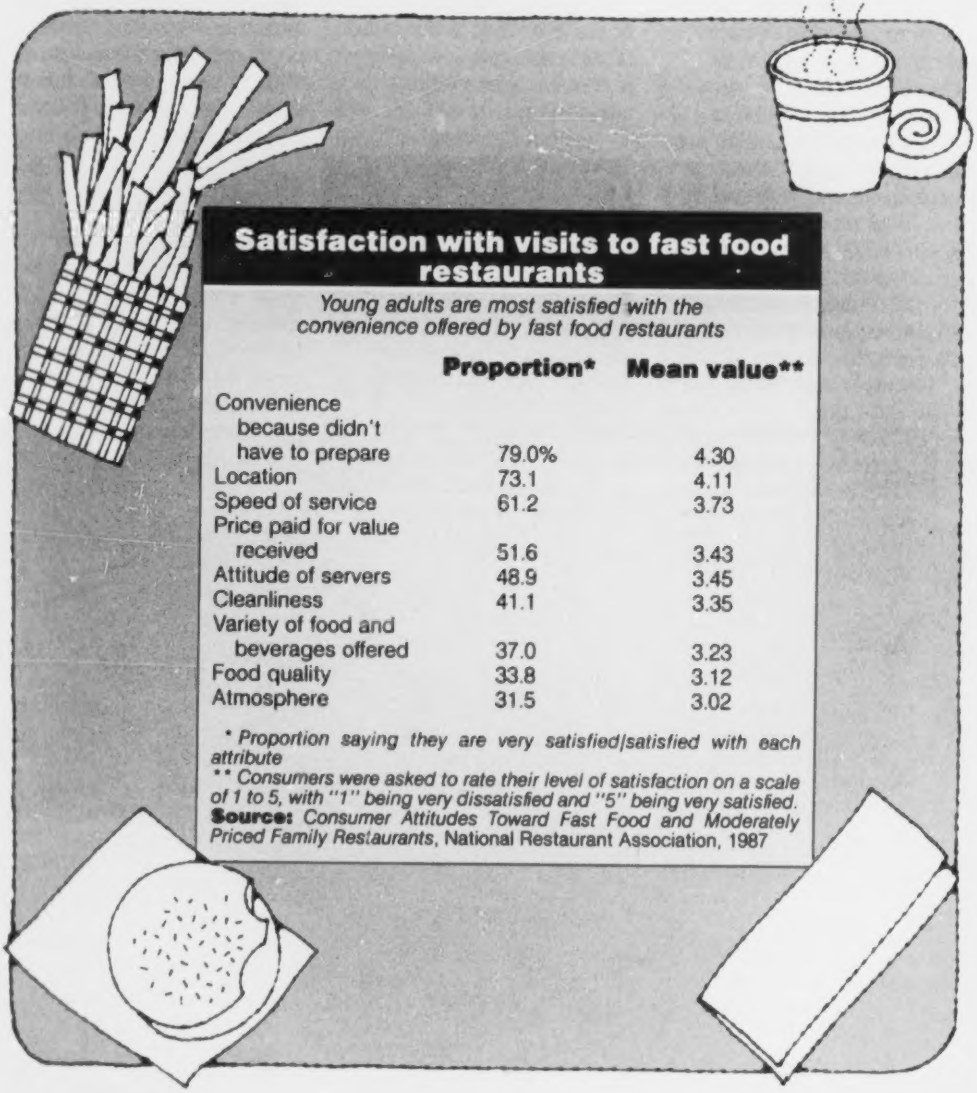
cialty concepts. Concepts they favored in 1985 registered the largest gains in the following year. On the other hand, concepts that fell out of favor with young adults showed little or no increase in consumer patronage.

Distribution of occasions

Eighteen to 24-year-olds favor quickservice restaurants over other types of establishments

	Proportion of total occasions			
	1982		**1986**	
	Male	**Female**	**Male**	**Female**
Quickservice	74.9%	73.3%	79.2%	76.6%
Midscale	19.8	20.9	15.1	16.5
Upscale	5.2	5.9	5.6	6.9

Source: National Restaurant Association CREST Survey, 1987



Satisfaction with visits to fast food restaurants

Young adults are most satisfied with the convenience offered by fast food restaurants

	Proportion*	**Mean value****
Convenience because didn't have to prepare	79.0%	4.30
Location	73.1	4.11
Speed of service	61.2	3.73
Price paid for value received	51.6	3.43
Attitude of servers	48.9	3.45
Cleanliness	41.1	3.35
Variety of food and beverages offered	37.0	3.23
Food quality	33.8	3.12
Atmosphere	31.5	3.02

** Proportion saying they are very satisfied/satisfied with each attribute*

*** Consumers were asked to rate their level of satisfaction on a scale of 1 to 5, with "1" being very dissatisfied and "5" being very satisfied.*

Source: *Consumer Attitudes Toward Fast Food and Moderately Priced Family Restaurants*, National Restaurant Association, 1987

Fast food restaurants meet their needs

Young adults are more likely to be found at a fast food establishment than at any other type of restaurant. CREST data reveal that more than 75 percent of all visits made to restaurants by 18 to 24-year-olds are to fast food places. Furthermore, since 1982 the quickservice segment has strengthened its position with this age group. Young adults' favorite quickservice restaurants are hamburger and pizza places. Four in 10 of all visits by males to quickservice restaurants were to burger places as were about 36 percent of all visits by females. Pizza restaurants captured 19 percent of all quickservice eater occasions for both sexes. (Since 1982 pizza restaurants have become more popular with young adults, while hamburger restaurants' popularity has slipped.)

Why do young adults overwhelmingly favor quickservice restaurants? Lower cost may be one reason. Members of this age group, in general, have substantially lower incomes than their older counterparts. According to Department of Commerce statistics, more than 50 percent of all households headed by persons under 25 years of age have incomes of $15,000 or less. In addition, a sizable proportion of this age group lives on the tight budget of a student. Thirty-seven percent of all 18 to 21-year-olds were enrolled in college in 1985 as were 18 percent of those 22 to 24 years of age. For these reasons, the lower menu prices at quickservice restaurants are appealing because they allow young adults to eat out frequently without overstepping their budgets.

Convenience may be another reason why young adults favor quickservice restaurants. A 1987 National Restaurant Association consumer survey revealed that the majority of 18 to 24-year-olds visit fast food restaurants when they are in a hurry and need a quick meal. The second most often cited reason for patronizing a quickservice place was unspecified convenience. Young adults are also more likely than others to cite time-pressured circumstances for choosing a fast food restaurant.

When asked to rate their visits to fast food restaurants, young adults indicated they are most satisfied with the convenience of having someone else prepare the food and the convenient location offered by fast food restaurants. The speed of service and the price/value of fast food also received high marks from sizable proportions of 18 to 24-year-olds.

However, fast food places did not score as well with this age group on menu variety, food quality or atmosphere. Lower ratings on these attributes suggest that while fast food restaurants fulfill a basic need, they are not places to go for a relaxing social evening.

When 18 to 24-year-olds were asked why they patronize moderately priced family restaurants, the top reason given was "special occasions." For restaurateurs in this segment, this represents a marketing opportunity.

Young adults are heavy users of takeout

Eighteen to 24-year-olds order takeout more often than does the overall population. According to 1986 CREST *Household Report* data, more than 50 percent of this age group's restaurant visits are for takeout versus 43 percent for all consumers. Young adults' frequent use of takeout is tied to their preference for fast food establishments. Nine out of 10 of all takeout occasions for males and females in this age group occur at fast food restaurants. When 18 to 24-year-olds visit midscale and upscale establishments, they usually dine inside the restaurant. About 80 percent of all midscale visits are for on-premises dining as are more than 90 percent of all upscale visits made by 18 to 24-year-olds.

Takeout's share of young adult traffic at midscale restaurants moved up slightly between 1982 and 1986 but edged down in the upscale segment. Young women are somewhat more likely to choose to eat off-premises when they visit midscale restaurants than are young men. The opposite is true within the upscale segment.

Because it is the type of takeout service most widely available, traditional carryout captures the largest share of total off-premises traffic for consumers between the ages of 18 and 24. Drive-thru is the second most frequently used takeout option, capturing just over 30 percent of all off-premises occasions. Since 1984 delivery has posted the strongest growth with this age group, especially with females. Drive-thru is being used on more occasions by young men, and carryout has lost market share with young adults of both sexes.

As is true for adults overall, takeout foods and beverages purchased by 18 to 24-year-olds are most often consumed at a location other than the home. Nevertheless, the at-home segment of the takeout market is growing. Males have substantially increased their purchases of takeout restaurant meals for at-home consumption. In 1982, 39 percent of all restaurant meals eaten off-premises by 18 to 24-year-old males were enjoyed at home; by 1986 this proportion was up to 47 percent. Women between the ages of 18 and 24 are also taking more restaurant meals home—44 percent in 1986 versus 42 percent four years earlier.

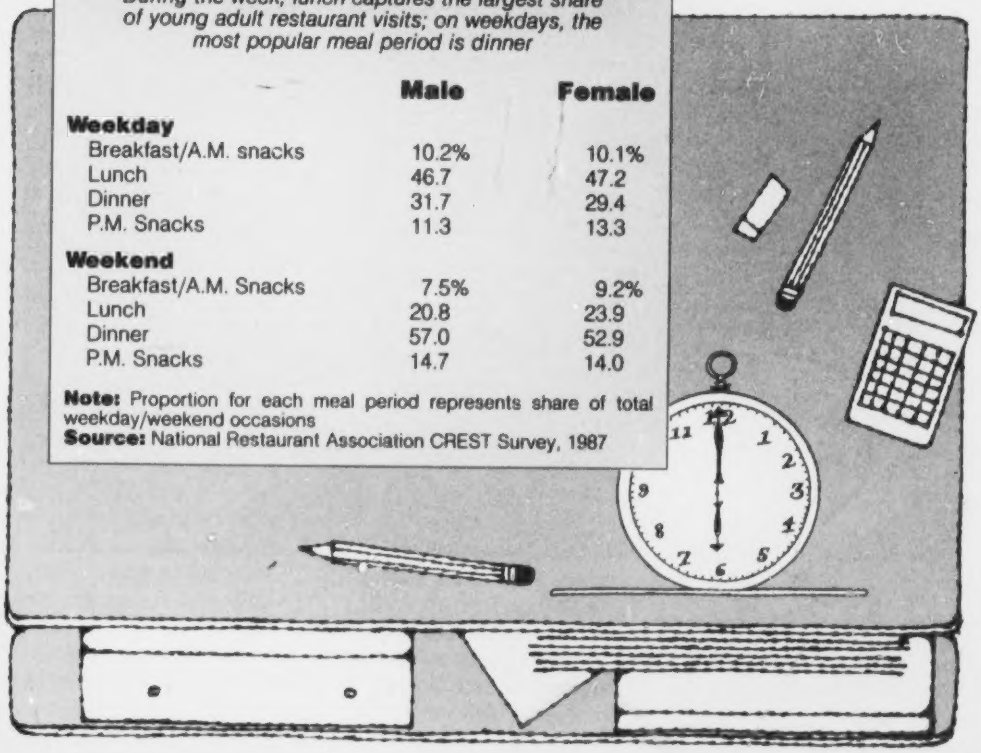
The Takeout Market, a National Restaurant Association consumer survey, reveals more information about the takeout behavior of young adults and suggests ways in which it differs from other consumers. Lunch is the meal period most likely to involve a takeout purchase for consumers of all ages. Still, 18 to 24-year-olds are somewhat more likely to say they

Distribution of occasions by meal periods and days of the week

During the week, lunch captures the largest share of young adult restaurant visits; on weekdays, the most popular meal period is dinner

	Male	Female
Weekday		
Breakfast/A.M. snacks	10.2%	10.1%
Lunch	46.7	47.2
Dinner	31.7	29.4
P.M. Snacks	11.3	13.3
Weekend		
Breakfast/A.M. Snacks	7.5%	9.2%
Lunch	20.8	23.9
Dinner	57.0	52.9
P.M. Snacks	14.7	14.0

Note: Proportion for each meal period represents share of total weekday/weekend occasions
Source: National Restaurant Association CREST Survey, 1987



Share of takeout traffic

Carryout, still the most frequently used form of takeout, is losing market share to drive-thru and delivery for 18 to 24-year-olds

	1984		1986	
	Male	**Female**	**Male**	**Female**
Carryout	64.7%	62.3%	61.3%	61.6%
Drive-thru	29.5	33.4	32.1	31.3
Delivery	5.7	4.4	6.6	7.2

Source: National Restaurant Association CREST Survey, 1987

purchase restaurant meals to go at the midday meal than are other adults. It is not surprising, therefore, that young adults were also more likely to report being at work prior to making a takeout purchase and that the occasion was more often on a weekday than on the weekend.

Because the majority of young adults are single—about 80 percent of the group was single in 1985, according to the Census Bureau—they most often purchase takeout foods for their personal consumption. Adults in other age groups most frequently buy takeout foods for themselves and other household members. Young adults are also more likely than adults in other age groups to purchase takeout meals to share with friends.

Most visits occur during the week

Nearly six in 10 occasions for 18 to 24-year-olds occur during the week. Women are somewhat more likely to visit a restaurant on weekdays than are men in this age bracket. For both sexes, about 47 percent of all weekday occasions are for lunch, and one in three visits occurs at dinner. Since 1982 there has been little change in the share of total visits garnered by each meal period.

At the noon meal period, young adults frequently patronize a quickservice restaurant. Approximately 80 percent of all weekday lunches are eaten at a fast food place. Most of these quickservice lunches are purchased at a hamburger restaurant—48 percent for men and 42 percent for women. The share of weekday quickservice lunches eaten at hamburger places has fallen since 1982, especially for women. If young adults choose to bypass lunch at a hamburger place, they are likely to visit a chicken or pizza restaurant. Chicken quickservice restaurants garner nearly 10 percent of all weekday quickservice lunch visits made by males, and women visit pizza places on 12 percent of all their weekday quickservice noontime occasions.

In the evening the pattern is similar. More than 75 percent of all weekday dinner visits are to quickservice restaurants, and most of these occur at hamburger places. Pizza restaurants hold the second largest share of total weekday quickservice dinner visits. This share has increased by a sizable amount since 1982—from 21 to 27 percent for males and from 22 to 28 percent for females.

Chicken places take the number three position, and their portion of the market is growing. Hamburger restaurants, on the other hand, have witnessed a shrinking of their share of weekday quickservice dinner visits over the past several years, with the sharpest decline occurring among young women. Hamburger restaurants now capture just 32 percent of all quickservice dinner weekday visits made by women 18 to 24 years of age—a drop of 10 percentage points since 1982.

When young adults eat out on weekends, they opt for dinner rather than lunch. Again, the lion's share of visits at both meal periods are to quickservice restaurants. Thirty-six percent of all quickservice weekend dinners are purchased at pizza restaurants, and less than one-third are purchased from hamburger

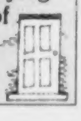
More young adults live at home

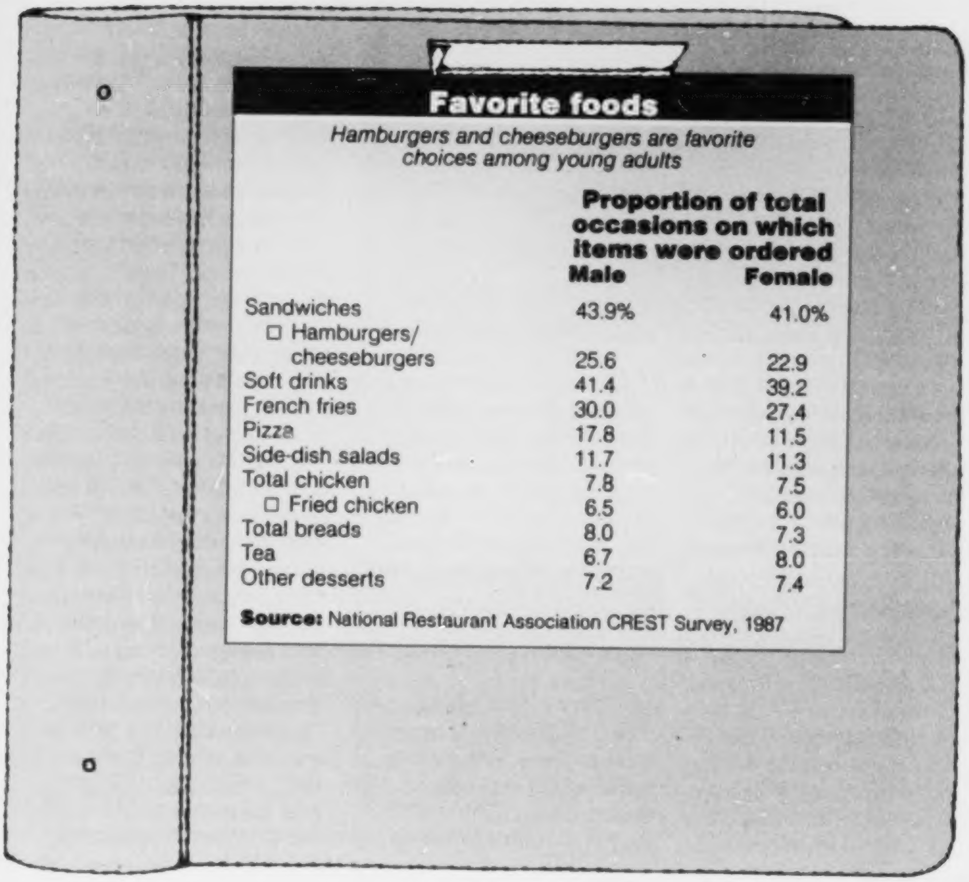
Young adulthood has traditionally been the time for breaking away from the family nest. Although the desire for independence is no less strong in today's young adults, fewer of them are choosing to set up their own homes as a means of establishing a separate identity. According to the U.S. Census Bureau, 53 percent of all 18 to 24-year-olds resided with their parents in 1986—up from 48 percent in 1980.

Why are young adults not moving away from mom and/or dad? Simple economics provides one answer. The tough job market makes entry-level positions more difficult to obtain. Moreover, the high and rising costs of rent, utilities and home furnishings may make it impossible for young people to set up and maintain a residence of their own at a standard of living similar to that provided to them in their parental home.

The trend toward marrying later in life is also having some effect. In 1985 nearly three-fourths of all 18 to 24-year-olds had never been married—up from 68 percent in 1980. Single young adults have less incentive to live on their own than do those who are married.

There has been some speculation that because more adults are living at home, restaurant sales to this age group will decline as these consumers choose homecooked meals over restaurant meals. This seems unlikely. Young adults living at home may have more discretionary income than if they had their own homes, thus, may have more money to spend on dining out. Dining out has always fulfilled a social function for this age group. Restaurants provide a setting for enjoying the companionship of friends and dates.





Favorite foods

Hamburgers and cheeseburgers are favorite choices among young adults

	Proportion of total occasions on which items were ordered Male	Female
Sandwiches	43.9%	41.0%
☐ Hamburgers/ cheeseburgers	25.6	22.9
Soft drinks	41.4	39.2
French fries	30.0	27.4
Pizza	17.8	11.5
Side-dish salads	11.7	11.3
Total chicken	7.8	7.5
☐ Fried chicken	6.5	6.0
Total breads	8.0	7.3
Tea	6.7	8.0
Other desserts	7.2	7.4

Source: National Restaurant Association CREST Survey, 1987

restaurants. The proportions are nearly opposite what they were in 1982. That year hamburger restaurants held about a 36 percent share of total weekend quickservice dinner visits while pizza places had a 31 percent share

This is the only meal period at which pizza places now hold a larger slice of the market than do hamburger restaurants. One logical reason for the growth of pizza on weekends is the wider availability of takeout, especially home delivery.

Delivery ties in with the increased popularity of VCRs and the growth of at-home consumption of takeout foods by young adults. In fact, the proportion of total occasions at pizza restaurants for at-home consumption was 55 percent in 1986—up from 44 percent four years earlier.

Although pizza restaurants have also increased their share of total weekend quickservice lunch visits, hamburger places continue to hold a commanding lead. In 1986 hamburger quickservice restaurants captured just under 50 percent of all quickservice weekend lunch visits, and pizza restaurants held approximately a 12 percent share. Mexican restaurants are catching up, especially with females in this age group. In 1986 nearly 10 percent of all weekend quickservice lunch visits by young women were to a Mexican restaurant—up from 4 percent in 1982. Males are visiting Mexican quickservice restaurants more often as well, but chicken restaurants continue to capture the third largest share of their weekend quickservice lunch visits.

What do they like to eat?

Since they favor fast food restaurants, it is not surprising that sandwiches, especially hamburgers/cheeseburgers, soft drinks and french fries still top the list of favorite restaurant fare for 18 to 24-year-olds. Pizza is also popular. Young adults are also ordering chicken more frequently than in the past. This shift coincides with the addition of chicken to fast food hamburger menus and the growth of the fast food chicken segment. Ethnic foods, especially Mexican and Asian dishes, are becoming more popular with 18 to 24-year-olds as they become more available.

When it comes to beverages, soft drinks—especially regular colas—are most likely to be ordered by young adults (70 percent), but a substantial 56 percent are likely to choose a regular non-cola soft drink, according to the recent National Restaurant Association survey *Beverage Preferences.*

Young adults are less likely to drink coffee in restaurants than are those in other age groups. In fact, 45 percent of those surveyed said they never order any type of coffee when they eat at restaurants. Tea, on the other hand, is a favorite of young adults, and they are more likely to indicate interest in ordering both hot and iced tea in restaurants than are adults in other age groups. More than two-thirds of the young adults surveyed said they are very or somewhat likely to select iced tea when dining out, and 44 percent said they would likely order hot tea.

Not to be overlooked

Consumers between the ages of 18 and 24 should not be overlooked by restaurateurs. Understanding where and when they spend their away-from-home food dollars and why they visit one type of establishment over another will help operators better cater to this small but dynamic consumer segment. Moreover, knowledge gained about today's 18 to 24-year-olds can be used to shape restaurant offerings to meet their needs as they grow older.

—Kate Conroy

Wholesale food costs

Based upon U.S. Department of Agriculture (USDA) expectations for production and prices, the outlook for wholesale food costs improves for restaurant operators in 1988. Another excellent corn crop is forecast for next year, which is likely to keep feed prices low and contribute to meat and poultry price declines.

Beef

□ Beef production is expected to decline 4 percent in 1988 after an anticipated decline of 5 to 7 percent in the second half of this year.

□ Wholesale beef prices are running higher this year than last. Prices for the fourth quarter of 1987 are expected to be in the $61 to $65 per cwt. range—close to the fourth quarter 1986 price of $60, but higher than the $54 recorded in the second quarter. In 1988, beef prices should stabilize in the low to mid-$60s, with first quarter prices unchanged from those in the final months of 1987.

Pork

□ Lower feeding costs and greater returns have provided incentives to increase pork production, which should advance 10 percent during the next year. Production in the second half of 1987 should be 8 percent above last year's levels after declining 4 percent in the first half of the year.

□ So far this year lower-than-expected slaughter numbers, low frozen pork stocks and reduced beef production have kept prices relatively high.

□ Increasing pork supplies should cause wholesale prices to fall to $43 to $47 per cwt. in the fourth quarter of 1987, even with last year's level. First quarter 1988 pork prices are predicted to continue their decline, reaching $39 to $45 per cwt.

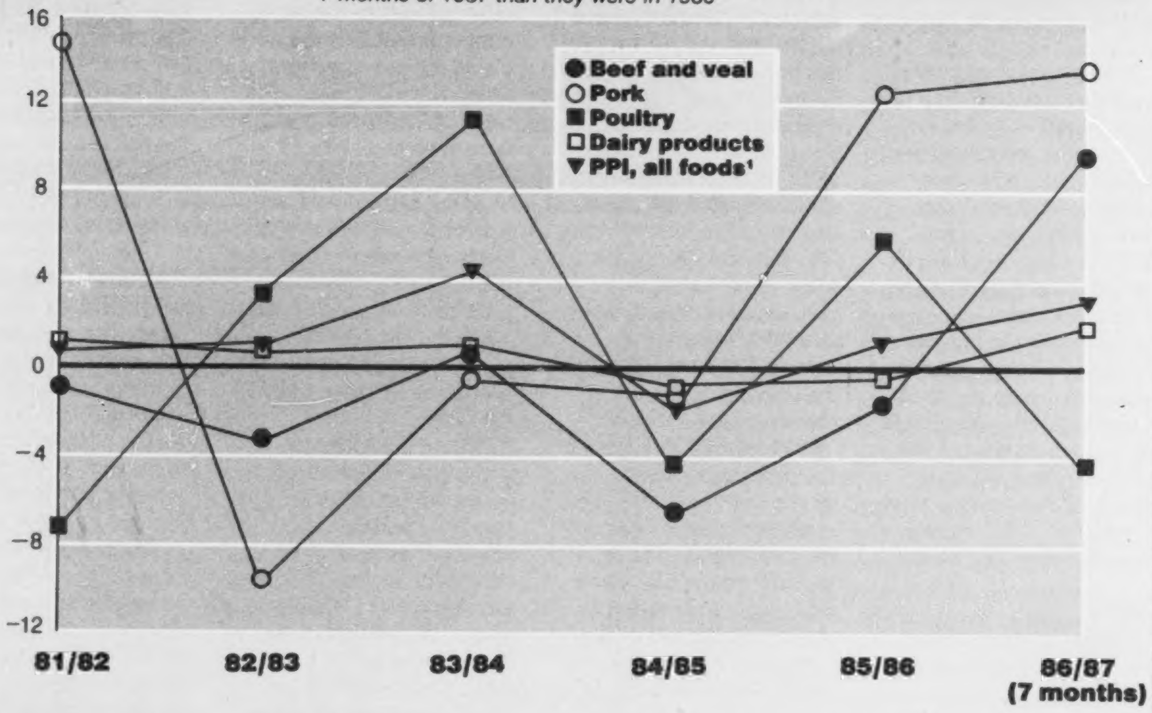
Poultry

□ Broiler production is forecast to increase by more than 8 percent in 1987 because of lower feed prices and strong market demand. Increased output is expected to continue through 1988, with first quarter production 7 percent higher than in 1987.

□ Wholesale broiler prices in 1987 are expected to average 46 to 48 cents per pound, after dropping slightly during the fourth quarter to 42 to 46 cents per pound. Prices should be even lower in the beginning of 1988, falling to 40 to 46 cents per pound and

Percent change in wholesale food prices

Only poultry prices have been lower in the first 7 months of 1987 than they were in 1986



[1] Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

Source: Producer Price Index, Bureau of Labor Statistics remaining there for the rest of the year. Prices had been 50 cents per pound in the beginning of 1987.

☐ Turkey production is expected to reach record levels during 1987, raising turkey stocks and putting downward pressure on prices in the second half of 1987.

☐ The wholesale price of turkey is expected to be in the 55 to 61 cents per pound range in the fourth quarter of 1987, considerably lower than the 79 cents registered last year. Prices should continue to decline in the beginning of 1988 to 47 to 53 cents per pound, picking up slightly during the year to finish in the 52 to 58 cent range.

Eggs

☐ Although egg consumption is unchanged from last year, production has been rising in 1987 due to lower corn feed prices. Output is expected to remain at 1987 levels through 1988.

☐ Wholesale egg prices are lower this year than last, even though they have experienced a recent upturn, possibly due to the hot summer weather. Fourth quarter 1987 prices for Grade A Large eggs are expected to average 63 to 67 cents per dozen—up from the third quarter, but lower than the 74 cents per dozen recorded during the fourth quarter of 1986. Wholesale prices in 1988 should fall closer to the levels maintained during the first three quarters of 1987, averaging 62 to 65 cents per dozen.

Dairy

☐ Milk production has been lower in 1987 due to the slaughter of dairy cows under the Dairy Termination Program. As a result, butter and cheese stocks are lower than they were a year ago. Milk production in the fourth quarter of 1987, however, is expected to rise, matching last year's level.

☐ Fourth quarter wholesale milk prices, forecast at $12.90 to $13.50 per cwt., are expected to fall below their level in 1986 but higher than third quarter 1987 prices due to seasonal variation. Wholesale milk prices in the first quarter of 1988 are expected to decline to $12.00 to $12.80 per cwt. Prices for cheese may rise this fall, and slightly tighter than expected market conditions could increase prices even further in 1988.

Fruits and vegetables

☐ A record crop is expected for apples in 1987, and the harvest of pears should be 10 percent larger than last year. But even with higher production, prices were higher this year than last due to increased export demand. Citrus production is also expected to be up this year, but increased demand for oranges by both consumers and the processing market should drive up prices for that fresh product.

☐ Although prices for some commercial vegetables, most notably onions and lettuce, have been higher in 1987 than in 1986, the majority experienced price declines.

☐ Vegetable acreage for the processing market was up 4 percent in 1987 over 1986 levels, while fresh market acreage was up 6 percent during the winter season, 2 percent during spring and 3 percent during summer. Production for the fresh market is expected to be higher this fall as well.

—Laurence Greenberg

New data on foodservice labor force

The foodservice labor force is an area of continuing concern. Last month in its article "Older Workers: the industry work force of the future?" **Restaurants USA** *looked at ways the industry can woo older workers. This article takes a closer look at the composition of the industry labor force between 1980 and 1986, analyzing new U.S. Department of Labor data. Not only does it demonstrate that there has been a shift in age groups within the work force—away from teens and seniors to the middle of the age spectrum—but it also reveals that foodservice operators have begun to hire more men and minorities.*

Since 1980 there has been a decided shift in the age of employees working in foodservice occupations. As the population ages, foodservice workers are being concentrated into the middle of the age spectrum. The proportion of employees in foodservice occupations who are 16 to 19 years old or 45 years old and older has shrunk considerably over the past six years. The actual number of teens employed in these jobs has remained constant, while the number of workers 60 years old and older has fallen by more than 10 percent.

Where then has the growth in foodservice employment come from? For the most part it is due to the rapid expansion of employment among 20 to 24-year-olds and 25 to 34-year-olds. The number of foodservice workers in these two age groups increased by 37 and 54 percent, respectively, from 1980 to 1986. Persons in the 35 to 44-year-old age group also rose in number, although by a lesser rate of 20 percent. In fact, the huge gain in the number of 25 to 34-year-olds has propelled this age group from the third to the second most numerous among all foodservice workers. Teenagers still top the list, but the margin between teens and 25 to 34-year-olds has fallen to just 2 percent.

Population shifts affect labor pool

Much of the change in the age pattern of foodservice workers is related to the aging of the U.S. population. As the population ages, there will, of course, be fewer young people entering the labor force. This explains the current shortage of teenage workers—a situation that is expected to continue into the 1990s. Between 1980 and 1986, the 16 to 19-year-old population declined by more than 13 percent. But the changing age composition of the

U.S. labor force does not fully explain the change occurring within foodservice occupations.

Although the number of retirement-aged individuals (those 60 years old and older) is rising and the number of 35 to 44-year-olds has swelled, there has been no proportionate increase in the numbers of these groups in foodservice. In fact, in the six years between 1980 and 1986, the proportion of seniors in foodservice has dropped, and the percentage of those 35 to 44 years old has remained constant. On the other hand, despite a 5 percent drop in the number of 20 to 24-year-olds in the population, there has been a large increase in this age group among foodservice workers. Thus, it appears that there are other factors affecting the composition of the work force.

Participation rates a possible factor

The participation rate, the percentage of the population entering the labor force, has added to the decrease in young foodservice workers and may explain the decline in the number of older employees. By dropping from 57.1 percent in 1980 to 54.7 percent in 1986, the lower participation rate for teenagers has exacerbated the shrinking population of 16 to 19-year-olds. Whereas 50.4 percent of those individuals between the ages of 60 and 64 were in the labor force in 1980, only 43.3 percent participated in 1986. And the rate for those 65 years old and older fell from 14.9 to 10.9 percent during that same period.

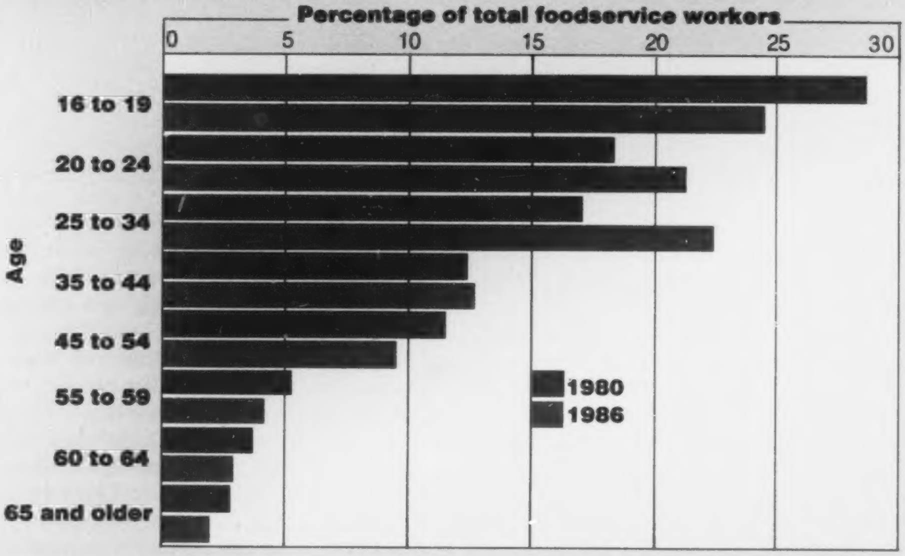
The effects of these declines can be considerable. For example, if the participation rate for those individuals 65 years old and older had remained the same in 1986 as it was in 1980, then there would have been one million more older workers in the labor force in 1986.

Seniors hired less frequently

Despite the potential to induce seniors out of retirement by offering a positive work experience, foodservice operators are hiring older individuals less frequently now than they were in 1980. Whereas those in foodservice occupations accounted for 3.9 percent of all employed persons 65 years old and older in 1980, they account for just 3.6 percent today. The same is true for 60 to 64-year-olds and, to a lesser degree, 45 to 59-year-olds.

Food preparation and service workers by age
(1980 versus 1986)

There has been sharp growth in young adult and middle-aged workers



Sources: U.S. Department of Commerce, Bureau of the Census; U.S. Department of Labor, Bureau of Labor Statistics

Who is taking jobs in foodservice*

Since 1980 there has been growth in the number of males and minority employees hired

	1980			1986		
	Total employed	**Employees in food-service occupations**	**Food-service workers as a percent of total**	**Total employed**	**Employees in food-service occupations**	**Food-service workers as a percent of total**
Total	97,640	4,385	4.5%	109,957	5,127	4.7%
Males	56,005	1,480	2.6	60,892	1,909	3.1
Females	41,635	2,905	7.0	48,706	3,219	6.6
Whites	84,027	3,631	4.3	95,660	4,244	4.4
Males	48,884	1,152	2.4	53,785	1,496	2.8
Females	35,183	2,479	7.0	41,876	2,748	6.6
Blacks	9,334	469	5.0	10,814	623	5.8
Males	4,675	172	3.7	5,428	269	5.0
Females	4,659	297	6.4	5,386	354	6.6
Hispanics	5,457	298	5.5	7,219	451	6.2
Males	3,288	165	5.0	4,428	266	6.0
Females	2,169	133	6.1	2,791	185	6.6

**All figures in thousands unless otherwise indicated.*

Sources: U.S. Department of Commerce, Bureau of the Census; U.S. Department of Labor, Bureau of Labor Statistics

Population shifts affect availability of traditional foodservice workers[1]

Most foodservice employees are concentrated in the 25 to 34 and 35 to 44-year-old age groups

	1980				1986			
Age	**Civilian population**	**Participation rate[2]**	**Total employed**	**Foodservice workers as a percent of total**	**Civilian population**	**Participation rate[2]**	**Total employed**	**Foodservice workers as a percent of total**
16 and older	**170,350**	**66.4%**	**97,640**	**4.5%**	**183,528**	**65.3%**	**109,597**	**4.7%**
16 to 19	16,853	57.1	6,973	18.1	14,611	54.7	6,472	19.5
16 and 17	8,368	47.2	2,606	26.5	7,437	44.5	2,622	25.7
18 and 19	8,485	67.0	4,367	13.1	7,174	65.2	3,850	15.2
20 to 24	20,767	78.2	13,866	5.8	19,803	78.9	13,790	8.0
25 to 34	36,958	82.7	26,973	2.8	42,148	82.9	32,201	3.6
35 to 44	25,592	82.7	19,137	2.8	32,793	83.7	25,861	2.5
45 to 54	22,716	78.3	16,058	3.2	22,774	78.0	16,949	2.9
55 to 59	11,615	68.7	7,098	3.3	11,266	64.5	6,896	3.1
60 to 64	10,145	50.4	4,485	3.7	10,961	43.3	4,509	3.2
65 and older	25,704	14.9	3,048	3.9	29,173	10.9	2,919	3.6

[1] All numbers in thousands unless otherwise indicated

[2] The percent of the civilian population that has entered the civilian labor force

Source: U.S. Department of Commerce, Bureau of the Census; U.S. Department of Labor, Bureau of Labor Statistics

At the same time, foodservice operators are hiring a greater proportion of the teenagers and young adults in the labor force. While the proportion of teens in foodservice occupations may have dropped since 1980, operators are doing their best to recruit those willing to work.

A more interesting development has been the increased recruitment of 20 to 24-year-olds to foodservice occupations, who now account for 8.0 percent of all young adults employed—up from 5.8 percent in 1980. The greater representation of this age group in the foodservice labor pool cannot be explained by a growing population since the number of individuals in this age group has fallen between 1980 and 1986. One possible explanation might be that teenagers hired earlier into foodservice occupations have stayed in these jobs through their young adult years.

Also, a larger percentage of all employed 25 to 34-year-olds has been hired into foodservice occupations than before—from 2.8 percent in 1980 to 3.6 percent in 1986. But their increased presence is likely due to the fact that there are more of these workers to employ.

What groups have new employees come from?

The increase in foodservice workers between 1980 and 1986 has slightly outpaced the growth in total employment in the nation. This means that foodservice operators are hiring a greater percentage of available workers now than they were six years ago. In addition to an increase in the share of employed persons who work in foodservice occupations, there has been a shift in the type of individuals hired. Males, blacks and Hispanics now account for a larger percentage of foodservice workers, suggesting that males and minorities have been tapped as new sources of labor.

Although there are more males and females working in foodservice jobs today than in 1980, the percentage of all employed males that work in foodservice has risen, while that for females has dropped. This implies that males, a minority in the industry, are now being actively recruited, most notably as waiters, cooks and food counter workers.

Surge in minority employment

The increased employment of males is observable across ethnic and racial lines. The percentage of employed black and Hispanic males working in foodservice occupations has increased as well.

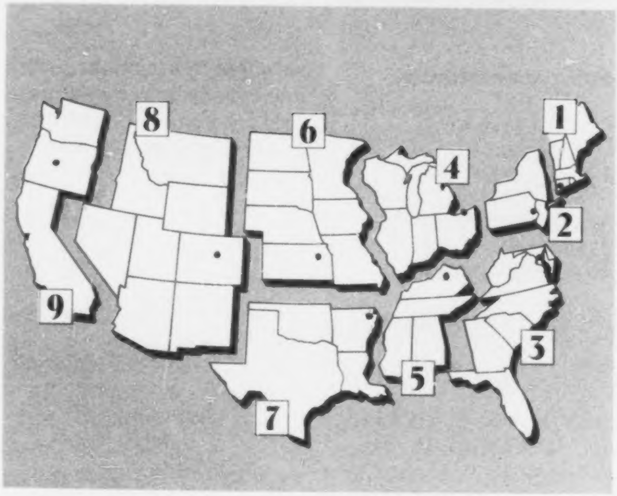
Black and Hispanic females are also heading to foodservice jobs, although to a lesser degree than their male counterparts. In 1986, 5.8 percent of all employed blacks and 6.2 percent of all employed Hispanics were holding foodservice jobs—up from 5.0 and 5.5 percent, respectively, in 1980.

Almost one-quarter of all employed black teens are now employed in foodservice occupations—up from 17 percent in 1980. A large percentage of Hispanic teens also works in foodservice jobs—more than 17 percent in 1986. But even though younger individuals are more frequently employed in foodservice, it is the middle-aged minorities that are best represented in foodservice occupations. Blacks account for more than 10 percent of foodservice workers between the ages of 25 and 44 and more than 15 percent of those between the ages of 45 and 59. Most of these percentages represent increases from 1980. Hispanics, in turn, are more numerous in the 25 to 34, 35 to 44 and 45 to 54-year-old age groups, representing approximately 10 percent of total foodservice workers in these segments.

In sum

Confronted with declining populations of teens and young adults, foodservice operators are more intensely recruiting these workers and, at the same time, tapping other labor sources. These new sources include males and minorities.

—Laurence Greenberg



1 NEW ENGLAND

Location: Ansonia, CT
Association member: John Reynolds
Operation: Rapp's Paradise Inn
Profile: Upscale restaurant and banquet facility
In business: 34 years
Seats: 50 dining room; 300 banquet facility
Meals served: Lunch, dinner

"It seems a lot of restaurants come and go, but we keep rolling along," says **Frank Rapp,** owner of Rapp's Paradise Inn. Although his 35-year-old restaurant does a brisk business lunch, party business is really the operation's mainstay. This summer's business has been good, says Rapp, and bookings for the coming year are strong. The restaurant's location, in the New Haven-Bridgeport-Waterbury triangle, is one crucial factor behind Rapp's success.

Rapp prides himself on his restaurant being a "homey, family-type place." All pies, cakes and breads are baked on the premises, and the menu focuses on seafood, steaks and chops. Rapp has noticed that seafood is becoming more popular with his regular dinner customers.

2 MID ATLANTIC

Location: Allentown, PA
Association member: Mark Rogosky
Operation: The Spice of Life
Profile: Fullservice upscale restaurant
In business: 3 years
Seats: 200
Meals served: Lunch, dinner

"Our business has been excellent," says **Jim Johnson,** manager of The Spice of Life. "Lots of people slow down in the summer, but our July, especially, was quite hectic."

The Spice of Life, located in an office park, attracts business and professional people during the day and a mixed crowd in the evening. The owners, Mark and Karen Rogosky, also operate another nearby restaurant, Magnolia's Vineyard, which is housed in an old Victorian inn.

The Spice of Life, says Johnson, is "an eclectic eatery." Veal, a house specialty, shows up in a number of popular dishes, including *Veal Marisa,* pieces of veal sauteed with artichoke hearts and shrimp and topped with hollandaise. Other notable dishes include *Salmon a L'Orange, Lamb en Croute* and *Rumaki,* bacon wrapped around chicken livers and water chestnuts.

A new menu, featuring three different categories of entrees, will soon be introduced at The Spice of Life. In addition to some traditional house specialties, the menu will include regional American dishes, ethnic foods from around the world and a grazing menu of pizzas and pastas.

3 SOUTH ATLANTIC

Location: Dunkirk, MD
Association member: Audrey Davenport
Operation: The Penwick House
Profile: Country inn specializing in southern Maryland cuisine
In business: 8 years
Seats: 160
Meals served: Lunch, dinner

"We generally do not enjoy the same level of business in the summer as we do in the winter and spring," says **Audrey Davenport,** owner of The Penwick House, "but this August was better than usual."

The Penwick House, a 19th-century, farmhouse-turned-country inn, is appreciated for its lovely terrace and gardens as well as its authentic southern Maryland cuisine. The garden contains more than 50 varieties of daffodils and more than 2,000 azaleas.

"We serve dishes that might have been served in 19th-century tidewater Maryland," says Davenport. A recent harvest buffet, for example, included local farm vegetables, such as squash, corn, tomatoes and eggplant, as well as crab cakes and barbecue chicken. Also on the menu was *Stuffed Ham,* a regional dish made by boiling a corned ham that has been wrapped in a spicy kale and onion mixture.

Other popular dishes at The Penwick House include crab, shrimp, scallops and the *Feast of the Tidewater,* boned chicken breast and country ham, drenched in an herbed crumb mixture and sour cream.

4 EAST NORTH CENTRAL

Location: Rocky River, OH
Association member: Chad Chillemi
Operation: The Woods
Profile: Fullservice, moderately priced restaurant
In business: 22 years
Seats: 125
Meals served: Lunch, dinner

"We've had an excellent summer," says **Chad Chillemi,** owner of The Woods. The 125-seat restaurant, which is located in a growing area of western Cleveland, has had overflow crowds all summer.

The Woods first opened in 1965 as Dominick's Villa, a pizza parlor owned by Chillemi's father. Although homemade pizza, with the choice of 12 toppings, is still the mainstay of the menu and "grandmother still makes the meatballs," the menu has expanded to include specialty sandwiches, ribs and pasta.

The prices at The Woods range from $3.95 to $7.95, which is especially reasonable, says Chillemi, for a restaurant with "such a nice interior." Most of the seating is in pews purchased from local churches. The restaurant's hardwood-panelled walls are decorated with trophy heads of moose, elk and deer.

5 EAST SOUTH CENTRAL

Location: Boonesboro, KY

Association member: Steve Hall
Operation: Hall's Restaurant
Profile: Casual fullservice restaurant with 2 units
In business: 22 years
Seats: 260
Meals served: Lunch, dinner

"There is quite a bit of restaurant competition around here, but we're holding steady and doing real well," says **David Sidwell,** manager of Hall's Restaurant in Boonesboro. "May to September is our busiest time—we attract lots of tourists and vacationers."

Hall's, which sits on the Kentucky River 12 miles outside Lexington, specializes in steaks, fresh seafood and regional dishes. Like its sister restaurant in Lexington, Hall's attracts a mixed crowd, which includes students and alumni from the University of Kentucky and Eastern Kentucky University. A lounge features live entertainment four nights weekly.

The seafood at Hall's is flown in each day from Boston. Scrod in a tarragon sauce and broiled or fried orange roughy are two popular specials. Popular regional dishes include catfish filet and *Oyster Parks,* oysters that have been rolled in bacon, breaded with cracker meal and deep-fried.

6 WEST NORTH CENTRAL

Location: Manhattan, KS
Association member: John Heritage
Operation: Hibachi Hut
Profile: Casual fullservice restaurant and bar
In business: 20 years
Seats: 70
Meals served: Lunch, dinner

"Usually the summer is slow, but this year our summer months have been our best months ever," says **John Heritage,** owner of the Hibachi Hut. Heritage speculates that the introduction of Cajun dishes and a new Kansas law that allows liquor to be sold by the glass were two reasons for the busy summer.

The Hibachi Hut's diverse menu includes sandwiches and mesquite-broiled steaks as well as Cajun food. The decor, which has changed little since the 1950s, is "pleasantly tacky," says Heritage, who adds, "We're spending money on food, not decor." Low food costs have allowed him to keep most of his dishes under $10.00, including an 8-ounce mesquite-grilled red snapper that is served with jambalaya, a salad and homemade bread for $6.95.

Heritage is on the verge of opening a new venture, The Lone Star Cafe, which will share the Hibachi Hut's bar but have its own menu specializing in foods from the interior of Texas.

7 WEST SOUTH CENTRAL

Location: Piggot, AK
Association member: Maggie Parrish
Operation: Farmer's Cafe
Profile: Southern-style family restaurant
In business: 2½ years
Seats: 150
Meals served: Breakfast, lunch, dinner

"Our business falls off a bit in the summer," says **Maggie Parrish,** the easy-going owner of Farmer's Cafe. "People don't eat as much when it's hot, and our air conditioner is broken, too. But," she jokes, "it'll snow soon, and things will pick up."

Parrish's cafe, located on the court square in the little northeast Arkansas town, offers a full menu of homestyle foods. Specialties include steaks, ribs and, according to the owner (and cook), "the best catfish in the country. It's nothing but Southern cooking—like grandma used to serve," says Parrish. "I don't know how to cook any other way."

The cafe, says the owner, "isn't fancy, but it's clean." The prices reflect her traditional sensibilities. During the week, for example, her all-you-can-eat luncheon buffet costs only $2.99. On a given day it may include chicken and dumplings, pork chops, fried okra, potato wedges, mashed potatoes and dinner rolls.

8 MOUNTAIN

Location: Lakewood, CO
Association member: Sherry Langley
Operation: Garrison Street Station
Profile: Fullservice family restaurant
In business: 10 years
Seats: 90
Meals served: Lunch, dinner

"Business is picking up," says **Mike Langfield,** manager of Garrison Street Station. "It was excellent for our first five years, then we hit a slump—like a lot of restaurants in Colorado. But we're building our business back up now."

Garrison Street has had success with "20 percent off" discount fliers that are mailed to local residents and delivered by hand to surrounding businesses. "The coupons bring in a lot of new customers," says Langfield, "and once we get them in, we are confident they will return."

Located in a western suburb of Denver, Garrison Street features Mexican and American specialties.

9 PACIFIC

Location: Bend, OR
Association members: Emil and Regina Freund
Operation: Regina's Restaurant
Profile: Fullservice family restaurant
In business: 6 months
Seats: 110
Meals served: Breakfast, lunch, dinner

"Our business has been real good," says **Walt Freund** of Regina's Restaurant, a family-run operation that opened in April. The restaurant's location, on the main highway in the middle of the central Oregon town, has been an important factor in its success. Most Bend restaurants, explains Freund, rely heavily on the year-round tourist business provided by skiers, campers, hunters and other nature enthusiasts passing through the scenic "high desert" town.

Regina's, says Freund, is a "casual, comfortable, middle-of-the-road place with slightly fancy overtones. We're always looking at the tourist," he says, "but we want everyone to feel comfortable here." The menu is varied and includes no item over $9.95.

In addition to a wide range of breakfast foods, hamburgers and specialty sandwiches offered at Regina's, Freund is particularly proud of the five homemade German dinners that account for at least 50 percent of the evening orders. Included are sauerbraten, pork snitzel, bratwurst, Bavarian goulash and *Roulade,* rolled-up flank steak baked with bacon and onions. Many of the meals are served with sweet-and-sour red cabbage and *Spaetzle,* a dumpling-like drop noodle. *—David Slater*

FOOD FOR THOUGHT

Chain opens cluck advice line

Dallas-area children now have a new telephone number to call for a friendly word, clucks and "yuks," thanks to Dixie House restaurants, a chain of five family-style restaurants in Dallas, which emphasize fried chicken.

By dialing UR-1-CHIC, an easy-to-remember phrase, children can hear a taped message from Aunt Dixie. In addition to chicken jokes, Aunt Dixie offers tips on a variety of topics, including swimming pool safety, not talking to strangers, avoiding deserted or dangerous places, learning to accept people of all types and saying "no" if their friends try to talk them into doing something they know is wrong.

"There are a lot of children who have to be home alone or just wish they had a friend to talk to," says Phil Cobb, president of Prufrock Restaurants, Inc., parent organization for Dixie House restaurants. "Since we introduced Aunt Dixie (as chain spokeswoman) last Halloween and saw how much the kids liked her, we decided to make her more accessible. The hotline was the perfect way to build friendships with our customers while offering the kids some fun and helpful information."

The hotline is on-line 24 hours a day, and messages will be changed every two weeks. There is no charge for local calls. According to Cobb, the Aunt Dixie Hotline idea was accepted enthusiastically by the Dixie House children's board of directors, a group selected from applications submitted at the five restaurants.

—Prufrock Restaurants

Snacking has gone "natural"

Whether they are "natural snacks" or "healthy junk food," Americans are loading their shopping carts with new styles of "nutritional" nibbles.

They are going for cookies sweetened with fruit juice, frozen fruit-juice bars, high-fiber snack bars, fruit-flavored rice cakes, fruit bars, "natural" chips and snacks sweetened with rice syrup.

The reason for the rocketing sales, speculates Art Golden, publisher of *Natural Foods Merchandiser,* is that customers are "comfortable with chips, juice bars and candy bars and are willing to experiment with natural foods in these familiar forms.

Sales of these new treats should rise 10.7 percent each year until 1995, says Business Trend Analysis of Commack, New York.

—USA TODAY

An upscale gamble

Denny's, the 34-year-old family restaurant chain, believes the average American diner is ready to enjoy the delights of wine. And so it's putting its name on the line. In 43 states Denny's is introducing 6-ounce (187 milliliters) bottles of three California varietal wines under its new private Emerald Ridge label—White Zinfandel, Chenin Blanc and Cabernet Sauvignon.

Roseanne Bye, vice president of research and development for Denny's, believes that a wine-training program for personnel, as well as the conveniently sized bottle, will enable the chain to drastically increase its wine sales to 220,000 bottles of wine each week.

"We noticed that California wine sales were going up, but at Denny's we still weren't selling much in the way of wine (two glasses of wine each week). This is despite the fact that the profile of the average wine drinker is also the profile of the average Denny's guest—someone in their late 20s to mid-60s, making $40,000 up, who travels a great deal in the United States, likes variety on the menu and wants good value for spent dollars but will pay for quality," explains Bye. "Wine at Denny's apparently was one of the world's best kept secrets. We look forward to unveiling this secret."

—Denny's

Waters opens market

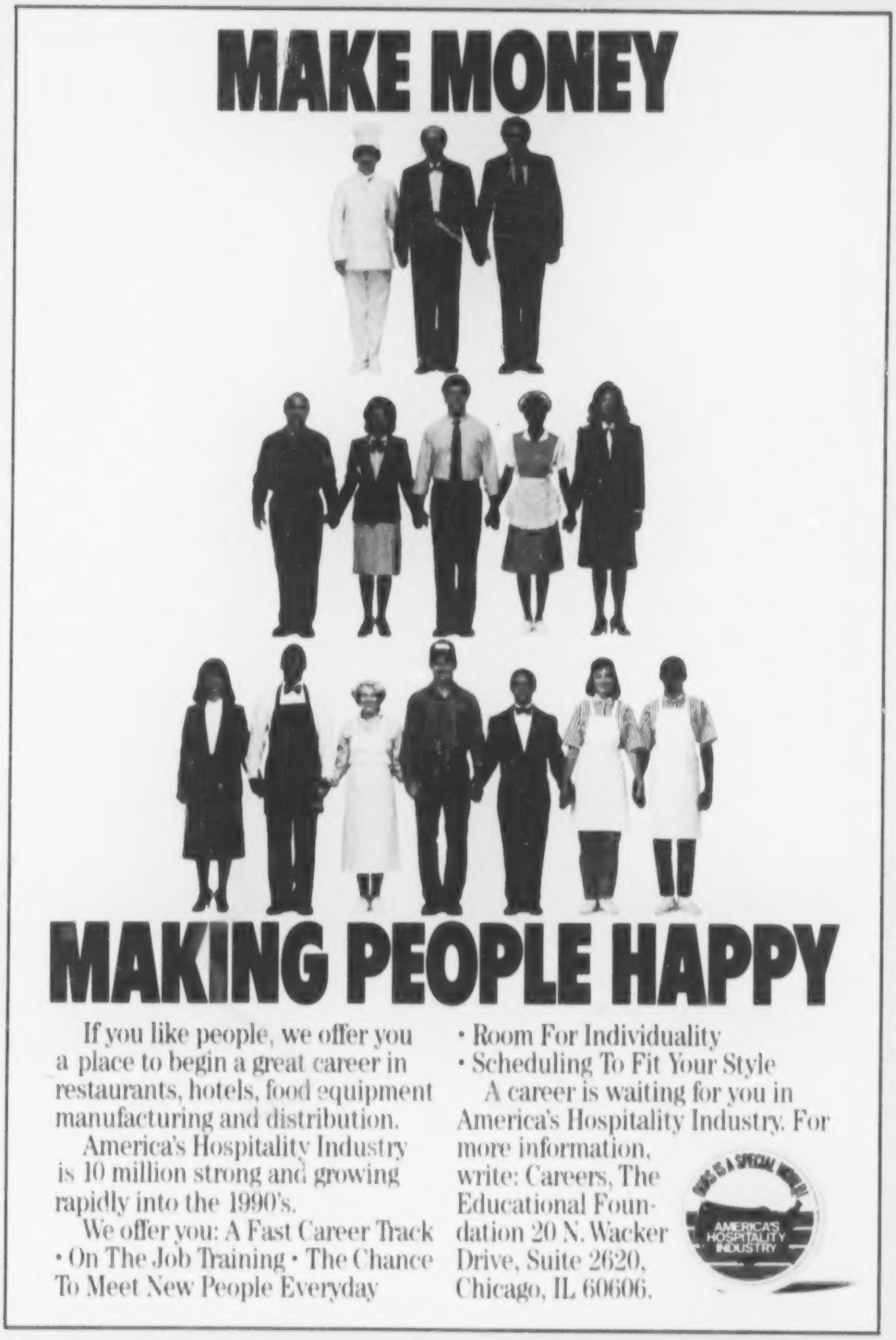
Alice Waters of Berkeley, California's Chez Panisse is famous for her shopping as well as her cooking. Because she is interested in getting her food from the field to the mouth as quickly as possible, she concerns herself with the planting, the growing and the cultivating of all the foods she serves. Now, she is realizing her dream of opening a quality market for chefs and retail clientele in the Bay area.

Waters' project, known officially as Central Market, is expected to open as early as next spring. Represented will be "small growers and producers who are interested in growing and raising animals in the right way—as naturally as possible and as organically as possible."

The market, which Waters says will offer products "from at least four or five of all the major food groups," will probably include a stand-up cafe. In addition, Waters anticipates that some of the market stalls will be open around-the-clock so that people with odd hours, such as bakers and fish dealers, can stop by.

Waters intends her market to be a gathering place for "a culturally diverse group." She hopes it will bring together the Bay area restaurant community as well as attracting the Thai, Vietnamese and Japanese from Oakland's Chinatown.

—The Washington Post



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